

**FINANCIAL STATEMENTS
(Compiled)**

CARING TO LOVE MINISTRIES, INC.

**For the Year ended
June 30, 2022**

**Michael R. Choate & Company
Certified Public Accountants**

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CARING TO LOVE MINISTRIES, INC.
Baton Rouge, Louisiana

June 30, 2022

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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, 2022, and the related statements of activities 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.

Baton Rouge, Louisiana

December 7, 2022



Michael R. Choate and Company CPAs

CARING TO LOVE MINISTRIES, INC.
STATEMENT OF FINANCIAL POSITION
As of June 30, 2022

ASSETS

Current Assets	
Cash and cash equivalents	\$ 350,349
Grants receivable	22,548
Prepaid expenses	27,870
Other current assets	<u>1,745</u>
Total Current Assets	<u>402,512</u>
Property and Equipment, net	<u>462,018</u>
Total Assets	<u><u>\$ 864,530</u></u>

LIABILITES AND NET ASSETS

Current Liabilities	
Bank line of credit	\$ -
Accounts payable	7,495
Payroll liabilities	<u>11,586</u>
Total Current Liabilities	<u>19,081</u>
Net Assets	
Unrestricted, without donor restrictions	<u>845,449</u>
Total Net Assets	<u>845,449</u>
Total Liabilities and Net Assets	<u><u>\$ 864,530</u></u>

See accountant's compilation report and accompanying notes to financial statements.

CARING TO LOVE MINISTRIES, INC.
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

Unrestricted Revenues and Support:

Grant income - Life Choice	\$ 193,675
Grant income - FEMA	5,035
Contributions	340,080
Special events	192,338
Other revenue	49,765
Loan forgiveness PPP#2	58,955
Loss on sale of assets	<u>(15,605)</u>
Total Unrestricted Revenues and Support	<u>824,243</u>

Expenses:

Program services	588,160
Supporting services	<u>165,039</u>
Total Expenses	<u>753,199</u>

Increase in Net Assets	71,044
Net assets at beginning of year	<u>774,405</u>
Net assets at end of year	<u><u>\$ 845,449</u></u>

See accountant's compilation report and accompanying notes to financial statements.

CARING TO LOVE MINISTRIES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2022

	Program Services		Supporting Services		Total Expenses
	Life Choice	CPC/ Other	Management and General	Fundraising	
Salaries	\$ 78,594	128,978	1,500	-	\$ 209,072
Payroll Taxes	-	10,527	-	-	10,527
Total Salaries and Payroll Taxes	78,594	139,505	1,500	-	219,599
Program Services	22,856	-	-	-	22,856
FEMA expenses	-	4,415	-	-	4,415
Contract Labor	-	63,443	400	-	63,843
Executive Director	-	59,400	29,700	9,900	99,000
Special Events	-	-	-	66,175	66,175
Benevolence	-	2,444	-	-	2,444
Travel	-	700	613	-	1,313
Employee benefits	-	21,824	-	-	21,824
Computer expense	-	34,186	834	-	35,020
Maintenance and repairs	-	20,303	240	-	20,543
Meals	-	1,180	1,206	-	2,386
Insurance	-	22,011	4,327	-	26,338
Advertising/media	-	10,726	-	1,489	12,215
Telephone/internet	-	9,242	-	-	9,242
Accounting	-	-	-	-	-
Audit	-	-	-	-	-
Interest	-	-	288	-	288
Legal/Professional	650	924	2,709	-	4,283
Occupancy	-	-	-	-	-
Miscellaneous	-	1,131	2,214	-	3,345
Printing/copy	-	16,380	-	7,046	23,426
Postage	-	6,642	265	3,296	10,203
Bank charges	-	4,627	4,106	-	8,733
Supplies	-	6,368	41	1,566	7,975
Licenses and fees	-	2,031	299	-	2,330
Repairs	-	900	-	-	900
Rent	-	13,400	-	-	13,400
Auto	-	2,524	67	-	2,591
Utilities	-	2,643	2,586	-	5,229
Donations	-	3,602	500	-	4,102
Total Other Expenses Before Depreciation	23,506	311,046	50,395	89,472	474,419
Depreciation	-	35,509	17,754	5,918	59,181
Total Other Expenses	-	35,509	17,754	5,918	59,181
Total Expenses	\$ 102,100	\$ 486,060	\$ 69,649	\$ 95,390	\$ 753,199
Percentage of Total Expenses	14%	65%	9%	13%	100%

See accountant's compilation report and accompanying notes to financial statements.

CARING TO LOVE MINISTRIES, INC.
STATEMENT OF CASH FLOWS
For the year ended June 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$	71,044
Loan forgiveness PPP loan #2		(58,955)
Loss on sale of assets		15,605
Depreciation expense		59,181
Adjustments to reconcile the change in net assets to net cash provided by operating activities:		
Decrease (Increase) in operating assets:		
Grants receivable		236,066
Prepaid expenses		(4,192)
Other current assets		245
(Decrease) Increase in operating liabilities:		
Accounts payable		(148,251)
Accrued expenses and other		(717)
NET CASH PROVIDED BY OPERATING ACTIVITIES		170,026

CASH FLOWS FROM INVESTMENT ACTIVITIES

Loss from sale of assets		(15,605)
Purchase of fixed assets		(59,271)
NET CASH USED BY INVESTING ACTIVITIES		(74,876)

CASH FLOWS FROM FINANCING ACTIVITIES

Decrease in Bank line of credit		(38,300)
NET CASH USED BY FINANCING ACTIVITIES		(38,300)

**NET INCREASE IN CASH AND CASH
EQUIVALENTS**

CASH AND CASH EQUIVALENTS, beginning of year		293,499
CASH AND CASH EQUIVALENTS, end of year	\$	350,349

See accountant's compilation report and accompanying notes to financial statement:

CARING TO LOVE MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year ended June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

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.

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.

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.

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.

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.

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.

Functional Allocation of Expense

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.

Income Taxes

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 2019-2021 are subject to examination by the IRS, generally for 3 years after they were filed.

Public Support and Revenue

The Organization receives its support primarily from the Louisiana Department of Social Services.

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.

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.

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 \$1,000. 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.

Advertising

Advertising costs are expensed as incurred.

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.

NOTE 2 - GRANTS RECEIVABLE

Grant receivable of \$22,548 at June 30, 2022 is comprised of grants receivable from the State of Louisiana and FEMA.

NOTE 3 – PROPERTY AND EQUIPMENT

The costs and related accumulated depreciation of property and equipment consisted of the following at June 30, 2022

Vehicle	\$ 35,359
Buildings and improvements	570,047
Equipment	202,993
Furniture and fixtures	<u>27,065</u>
Total property and equipment	835,464
Less accumulated depreciation	<u>(373,446)</u>
Property and equipment, net	<u>\$462,018</u>

Depreciation expense was \$59,181 for the year ended June 30, 2022.

NOTE 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:

2023	1,200
2024	1,200
2025	1,200
2026	1,200
2027	<u>1,200</u>
<u>Total</u>	<u>\$ 6,000</u>

NOTE 5 – CONCENTRATION OF GRANT INCOME

The Organization receives a majority of its revenue from funds provided through various federal, state, and private grants. During the year ended June 30, 2022, approximately 23% of revenues were from the Department of Social Services, Department of Children and Family Services, TANF grant and FEMA. 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 on June 30, 2021. The major grant was renewed for another year only for Baton Rouge, LA location and will expire on June 30, 2022 with auto renewals for a total of three years.

The Organization has cash reserves, receivables and bank lines of credit available within one year of the balance sheet date to meet cash needs and pay general expenses.

NOTE 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.

NOTE 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.

NOTE 8 – BOARD OF DIRECTORS

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

NOTE 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 Wall Street Journal prime + 2%. Secured by equipment. The balance at June 30, 2022 was \$0. The loan maturity date is July 2022 and was renewed.

NOTE 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, 2022:

Hope Group, Inc. (a nonprofit organization)	\$ 1,200
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NOTE 11 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through December 7, 2022, which is the date the financial statements were available to be released. No additional disclosures were necessary.