

FINANCIAL STATEMENTS
CARING TO LOVE MINISTRIES, INC.

For the Year ended
June 30, 2021

Michael R. Choate & Company
Certified Public Accountants

FINANCIAL STATEMENTS
CARING TO LOVE MINISTRIES, INC.

For the Year ended
June 30, 2021

TABLE OF CONTENTS

Financial Report

CARING TO LOVE MINISTRIES, INC.
Baton Rouge, Louisiana

June 30, 2021

INDEPENDENT AUDITOR'S REPORT	1
Financial Statements	
BASIC FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7
Uniform Guidance and Compliance and Government Auditing Standards Reports	
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 <i>Government Auditing Standards</i>	14
Independent Auditor's Report On Compliance for Each Major Program and on Internal Control Over Compliance Required by Uniform Guidance.	16
Schedules of Expenditures of Federal Awards	19
Note to the Schedule of the Expenditures of Federal Awards	20
Schedule of Compensation, benefits and other payments to the Council's Executive Director	21
Schedule of Findings and Questioned Costs	22
Management's response and Action Plan	25
Schedule of Prior Audit Findings and Questioned Costs	26

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Caring to Love Ministries, Inc
Baton Rouge, Louisiana

We have audited the accompanying financial statements of Caring to Love Ministries Inc (a nonprofit organization) (the "Organization"), which comprise the Statement of Financial Position as of June 30, 2021 and the related Statements of Activities, Functional Expenses, and Cash Flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair representation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend upon the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair representation of the financial statements 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 the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial states referred to above present fairly, in all material respects the financial position of the Organization as of June 30, 2021, and the changes in its net assets and its cash flow for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other 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 is presented for the purposes of additional analysis as required by the Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. In addition, Louisiana Revised Statute 24:513(A)(3), as amended, requires the Organization to present a supplemental schedule of Compensation, Benefits and Other Payments Made to the Organization's Executive Director for the fiscal year. This schedule is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated December 31, 2021, on our consideration of the Organization's internal control over financial reporting and on our test of its compliance with certain laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Organization's internal control over financial reporting and compliance.

December 31, 2021


Michael R. Choate & Company, CPAs

CARING TO LOVE MINISTRIES, INC.
STATEMENT OF FINANCIAL POSITION
As of June 30, 2021

ASSETS

Current Assets	
Cash and cash equivalents	\$ 293,499
Grants receivable	258,614
Prepaid expenses	23,678
Other current assets	<u>1,990</u>
Total Current Assets	<u>577,781</u>
Property and Equipment, net	<u>461,927</u>
Total Assets	<u><u>\$ 1,039,708</u></u>

LIABILITES AND NET ASSETS

Current Liabilities	
Bank line of credit	\$ 38,300
Note payable - SBA PPP Loan	58,955
Accounts payable	155,746
Payroll liabilities	<u>12,302</u>
Total Current Liabilities	<u>265,303</u>
Net Assets	
Unrestricted, without donor restrictions	<u>774,405</u>
Total Net Assets	<u>774,405</u>
Total Liabilities and Net Assets	<u><u>\$ 1,039,708</u></u>

See accompanying notes to financial statements.

CARING TO LOVE MINISTRIES, INC.
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

Unrestricted Revenues and Support:

Grant income - Life Choice	\$ 727,383
Grant income - FEMA	92,201
Grant income - Other	3,200
Contributions	269,275
Special events	181,833
Other revenue	13,453
Loan forgiveness PPP#1	65,500
Contributions - stock	1,990
Gain on sale of fixed assets	3,227

Total Unrestricted Revenues and Support	<u>1,358,062</u>
---	------------------

Expenses:

Program services	1,055,311
Supporting services	156,847
Total Expenses	<u>1,212,158</u>

Increase in Net Assets	145,904
------------------------	---------

Net assets at beginning of year	<u>628,501</u>
---------------------------------	----------------

Net assets at end of year	<u><u>\$ 774,405</u></u>
---------------------------	--------------------------

See accompanying notes to financial statements.

CARING TO LOVE MINISTRIES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2021

	Program Services		Supporting Services		Total Expenses
	Life Choice	CPC/ Other	Management and General	Fundraising	
Salaries	\$ 81,182	262,681	-	-	\$ 343,863
Payroll Taxes	2,751	20,167	-	-	22,918
Total Salaries and Payroll Taxes	<u>83,933</u>	<u>282,848</u>	<u>-</u>	<u>-</u>	<u>366,781</u>
Program Services	131,409	27	-	-	131,436
FEMA expenses	-	7,130	-	-	7,130
Contract Labor	42,004	77,659	1,950	-	121,613
Executive Director	-	67,836	33,918	11,306	113,060
Special Events	-	1,584	-	57,008	58,592
Benevolence	-	-	-	-	-
Travel	-	1,108	65	-	1,173
Employee benefits	-	20,481	-	-	20,481
Computer expense	11,438	27,023	225	-	38,686
Maintenance and repairs	-	794	-	-	794
Meals	-	1,421	152	-	1,573
Insurance	703	24,252	2,688	-	27,643
Advertising/media	41,673	7,916	-	-	49,589
Telephone/internet	-	14,308	-	-	14,308
Accounting	20,075	-	-	-	20,075
Audit	12,773	-	-	-	12,773
Interest	-	-	999	-	999
Legal/Professional	-	7,650	6,590	-	14,240
Occupancy	-	8,608	2,255	-	10,863
Miscellaneous	-	3,222	-	-	3,222
Printing/copy	5,237	18,784	-	5,687	29,708
Postage	-	5,341	286	1,791	7,418
Bank charges	-	72	7,363	-	7,435
Supplies	-	18,201	546	-	18,747
Licenses and fees	-	2,106	541	-	2,647
Repairs	-	-	-	-	-
Rent	-	64,015	-	-	64,015
Auto	175	8,089	-	-	8,264
Donations	-	200	-	-	200
Total Other Expenses Before Depreciation	<u>265,487</u>	<u>387,827</u>	<u>57,578</u>	<u>75,792</u>	<u>786,684</u>
Depreciation	<u>-</u>	<u>35,216</u>	<u>17,608</u>	<u>5,869</u>	<u>58,693</u>
Total Other Expenses	<u>-</u>	<u>35,216</u>	<u>17,608</u>	<u>5,869</u>	<u>58,693</u>
Total Expenses	<u>\$ 349,420</u>	<u>\$ 705,891</u>	<u>\$ 75,186</u>	<u>\$ 81,661</u>	<u>\$ 1,212,158</u>
Percentage of Total Expenses	<u>29%</u>	<u>58%</u>	<u>6%</u>	<u>7%</u>	<u>100%</u>

See accompanying notes to financial statements.

CARING TO LOVE MINISTRIES, INC.
STATEMENT OF CASH FLOWS
For the year ended June 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$	145,904
Loan forgiveness PPP loan #1		(65,500)
Gain on sale of fixed assets		(3,227)
Depreciation expense		58,693
Adjustments to reconcile the change in net assets to net cash provided by operating activities:		
Decrease (Increase) in operating assets:		
Grants receivable		146,063
Prepaid expenses		(6,496)
(Decrease) Increase in operating liabilities:		
Accounts payable		(203,034)
Accrued expenses and other		(2,985)
NET CASH PROVIDED BY OPERATING ACTIVITIES		69,418

CASH FLOWS FROM INVESTMENT ACTIVITIES

Purchase of investment		(1,990)
Proceeds from sale of fixed assets		20,027
Purchase of fixed assets		(106,357)
NET CASH USED BY INVESTING ACTIVITIES		(88,320)

CASH FLOWS FROM FINANCING ACTIVITIES

Bank line of credit		12,300
Bank loan proceeds - PPP#2		58,955
NET CASH PROVIDED BY FINANCING ACTIVITIES		71,255

NET INCREASE IN CASH AND CASH EQUIVALENTS		52,353
--	--	--------

CASH AND CASH EQUIVALENTS, beginning of year		241,146
CASH AND CASH EQUIVALENTS, end of year	\$	293,499

See accompanying notes to financial statements.

CARING TO LOVE MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year ended June 30, 2021

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 2018-2020 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 \$258,614 at June 30, 2021 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, 2021

Vehicle	\$ 35,359
Buildings and improvements	570,047
Equipment	150,304
Furniture and fixtures	<u>27,065</u>
Total property and equipment	782,772
Less accumulated depreciation	<u>(320,848)</u>
Property and equipment, net	<u>\$461,927</u>

Depreciation expense was \$58,693 for the year ended June 30, 2021.

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.

During the year June 30, 2018, the Organization signed a two year lease for additional office space in **Gonzales, La.** for \$1,000 per month. The lease expires October 15, 2020. The Organization also leased space in **Lake Charles La** for the six months of March –August 2019 for \$1,400 per month and \$1200 thru August 2020. Lease in **Shreveport, La** is for \$1,200 on a month to month basis beginning March 1, 2019. **Baton Rouge, LA** office rent is \$1,200 per year. Subsequent to June 30,

2021, lease agreements other than Baton Rouge, LA location were re-negotiated to month to month due to State wide grant non renewal. Total rent expense was \$64,015 for the year ended June 30, 2021.

The future minimum lease payments are as follows:

2022	1,200
2022	1,200
2023	1,200
2024	1,200
2025	<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 ending June 30, 2021, approximately 60% 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. As of the audit date, the major grant had been 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, 2021 was \$38,300. The loan maturity date is July 2021 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, 2021:

Hope Group, Inc. (a nonprofit organization)	\$ 1,200
--	----------

NOTE 11 – UNCERTAINTIES : COVID-19 PANDEMIC

A world-wide pandemic has caused severe economic and health damages to the U.S. beginning mid March 2020. According to John Hopkins, as of the date of this report, over 50 million U.S cases have been confirmed with over 800,000 deaths. The Center for Disease Control and the President have issued requirements for allowing businesses, schools and other entities to resume normal activities. The U.S Congress approved a \$2 trillion relief package on March 27, 2020. Additional relief packages have also been provided.

The Governors have issued mandates and orders which further restrict business and further restrict citizens. Schools delayed opening in the fall of 2020 and many are still disrupted. Restaurants and retail are only partially open nationwide. Hospitality, amusements, airlines and cruise lines have been hardest hit.

In this environment, Caring to Love Ministries, has continued to provide services and fulfill its mission. A SBA Payroll Protection Plan loan for \$65,500 was obtained in 2020 to help cash flow and an additional PPP loan of \$58,955 was obtained in 2021.

The first PPP loan has been forgiven and the second PPP loan is expected to be forgiven by SBA in 2021. The overall impact of the pandemic on the Organization is unknown at this time.

NOTE 12 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through December 31, 2021, which is the date the financial statements were available to be released. No additional disclosures necessary.

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,
Caring to Love Ministries, Inc
Baton Rouge, Louisiana

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 the governmental activities, each major fund, and the aggregate remaining fund information of Victory Harvest Church., Baton Rouge Louisiana, (the Organization) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements, and have issued our report thereon dated December 31, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions 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.

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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting 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 consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify significant deficiencies that merit the attention of management.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of 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 determination of financial statement amounts. 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 purposes 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Baton Rouge, Louisiana,
December 31, 2021


Michael R. Choate & Company, CPAs

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

Board of Directors
Caring to Love Ministries, Inc
Baton Rouge, Louisiana

Report on Compliance for Each Major Federal Program

We have audited Caring to Love Ministries, Inc (a nonprofit organization) (the "organization") compliance with the types of compliance requirements described in the Compliance Supplement that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2021. The Organization's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management Responsibility

Management is responsible for compliance with the requirement of laws, regulations, contracts, and grants to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's 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 the type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in the internal control over compliance, such that there is a reasonable possibility that material noncompliance with the 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

December 31, 2021


Michael R. Choate & Company, CPAs

CARING TO LOVE MINISTRIES, INC
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year ended June 30, 2021

Federal Grantor/Pass-Through Grantor / Program Title	Federal CFDA Number	Agency or Pass-Through Grant Number	Federal Expenditures
U.S. Department of Health and Human Services Passed-Through State Department of Social Services			
Temporary Assistance for Needy Families (TANF)	93.558*	635086	<u>\$727,383</u>
TOTAL U.S DEPARTMENT IOF HEALTH AND HUMAN SERVICES			<u>727,383</u>
U.S. Department of Homeland Security Passed-Through the State Department of Federal Emergency Management Agency			
Emergency Food and Shelter Program	97.024	361400-009	<u>92,201</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>92,201</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$819,584</u></u>

*Identified as a major program.

See accompanying Note to the Schedule of Expenditures of Federal Awards.

CARING TO LOVE MINISTRIES, INC
NOTE TO THE SCHEDULE OF EXENDITURES OF
FEDERAL AWARDS
For Year Ended June 30, 2021

NOTE A – BASIS OF ACCOUNTING

The accompanying Schedule of Federal Awards included the federal grant activity of the Organization and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Uniform Guidance, “Audits of States, Local Governments, and Non-Profit Organizations.”

Overhead allocation: The Auditee elected to use the 10% de minimis overhead cost rate.

**Schedule of Compensation, Benefits and Other Payments to the
Council's Executive Director**

**Caring to Love Ministries, Inc
Baton Rouge, Louisiana
For the year ended June 30, 2021**

Executive Director's (Agency Head) Name: Dorothy Wallis

Purpose	Amount
Salary	\$ -
Benefits-insurance (health and life)	
Benefits-retirement	57,432
Benefits-Other (describe)	
Benefits-Other (describe)	
Benefits-Other (describe)	
Car allowance	4,500
Vehicle provided by government (enter amount reported on W-2)	
Per diem	
Reimbursements	
Travel	
Registration fees	
Conference travel	
Housing	56,078
Unvouchered expenses (example: travel advances, etc.)	
Special meals	
Other - Petty Cash Reimbursements	

CARING TO LOVE MINISTRIES, INC
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2021

A. SUMMARY OF THE AUDITOR'S RESULTS

- The Auditor's report expresses an unqualified opinion of the financial statements of Caring to Love Ministries, Inc. (a nonprofit organization) (the "Organization").
- One instance of noncompliance material to the financial statements of the Organization were disclosed and identified during the audit. **See 2021-01 (page 24)**
- No instances of significant deficiency in internal control over financial reporting were reported in the *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*.
- No instances of noncompliance material to the financial statements of the Organization are reported in the *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*.
- The Independent Auditor's Report on Compliance for Each *Major Federal Program and on Internal Control Over Compliance Required by OMB Uniform Guidance* expressed an unqualified opinion on all major federal programs.
- The auditor's report on compliance for the major federal programs award programs for the Organization expresses an unqualified opinion on all major federal programs.
- There were no findings that are required to be reported in accordance with Section 510(a) of OMB Uniform Guidance

- No management letter was issued for the year ended June 30, 2021.
- The program tested as a major program for the year June 30, 2021 was:
 - Department of Health and Human Services –
Temporary Assistance for Needy Families (CFDA#93.558)
- The threshold for distinguishing between Type A and Type B programs was \$750,000.
- The Organization was determined to be a high-risk auditee.

CARING TO LOVE MINISTRIES, INC
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2021

Compliance requirement: Timely filing of annual audit

Type of Finding: Compliance finding 2021-01

Criteria: The sub-recipient of federal and state grant funds must submit an audit report within six months after the end of the fiscal year.

Condition: As part of the audit we noted that the 12-31-21 filing deadline was rapidly approaching.

The sub recipient accountant requested more time to review the audit report footnotes. Auditor granted the request for one week. The Auditor inadvertently missed the Executive Director was out of town for the Christmas holidays and had not signed the Management Representation Letter. Upon return, the letter was signed and the audit report was issued one week late.

Cause: The year 2021 was marred by delays related to COVID 19 and other disruption of operations by severe storms and Hurricane Ida which hit on September 1, 2021. This slowed the entire audit process and caused the year end rush to complete the audit by 12-31-21.

Effect: Delinquent audit reports could jeopardize collection of additional federal and state funds.

Questioned costs: not applicable.

Context/ Sampling: not applicable.

Repeat finding: not applicable. First offense.

Recommendation: Management should ensure that Council books are closed within 90 days of year end to allow auditors sufficient time to complete audit engagement with contingent time available and still timely submit audit report. The Auditor should also schedule contingent time for delays. This is believed to be an isolated incident. The Council has not had a late audit submission in over 10 years.

Views of Responsible Officials: Management agrees with the finding.

CARING TO LOVE MINISTRIES, Inc.

Management's Response to Findings and Corrective Action Plan

For the Year Ended June 30, 2021

**Michael R Choate and Company CPAs
2915 S Sherwood Forest Blvd
Baton Rouge, LA 70816**

Dear Mr. Choate,

We have read the audit report for the year ended June 30, 2021 and the related findings and questioned costs.

We agree with the **Compliance finding #2021-01** that the audit report was submitted late (one week after the due date). This was an isolated incident primarily caused by staff delays related to COVID -19 issues and severe storms including Hurricane Ida that disrupted and slowed our normal operations.

We will implement your recommendations regarding Compliance with audit filing deadlines and improved monitoring of the audit process.

Sincerely,

Dorothy Wallis, Executive Director

CARING TO LOVE MINISTRIES, INC
SUMMARY SCFHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended June 30, 2020

SECTION I – FINDINGS RELATED TO THE FINANCIAL STATEMENTS

Not applicable.

**SECTION II – FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR
FEDERAL AWARD PROGRAMS**

Not applicable.

SECTION III – MANAGEMENT LETTER

Not applicable.