

**MINISTRY OF CARING, INC.**

**CONSOLIDATED FINANCIAL STATEMENTS,  
INDEPENDENT AUDITOR'S REPORTS,  
SINGLE AUDIT, AND SUPPLEMENTARY  
INFORMATION**

**DECEMBER 31, 2023 AND 2022**

**MINISTRY OF CARING, INC.**  
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*Independent Auditor's Report*

To the Board of Directors  
Ministry of Caring, Inc.

*Report on the Audit of Financial Statements*

Opinion

We have audited the accompanying consolidated financial statements of Ministry of Caring, Inc. (a nonprofit organization) and its wholly owned subsidiary, which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Ministry of Caring, Inc. as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Ministry of Caring, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

To the Board of Directors  
Ministry of Caring, Inc.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Ministry of Caring, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Ministry of Caring's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Ministry of Caring's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

To the Board of Directors  
Ministry of Caring, Inc.

Supplementary 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, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the 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 the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 schedule of expenditures of federal awards 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 September 6, 2024, on our consideration of Ministry of Caring's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Ministry of Caring's 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 Ministry of Caring's internal control over financial reporting and compliance.

*Belfint, Lyons & Shuman, P.A.*

September 6, 2024  
Wilmington, Delaware

**MINISTRY OF CARING, INC.**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2023 AND 2022**

	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 1,895,122	\$ 3,500,226
Cash and Cash Equivalents - Restricted for Investment in Capital	840,521	-
Grants Receivable	710,668	915,499
Program Fees Receivable	80,871	53,775
Promises to Give - Net	379,835	656,824
Prepaid Expenses and Other Assets	136,986	123,936
Right-of-Use Assets - Operating Leases	146,257	211,198
Right-of-Use Assets - Finance Leases	14,201	-
Developer Fee Receivable	423,011	423,011
Due from Affiliated Organizations	1,435,612	956,313
Mortgage Escrow Accounts	521,454	502,296
Investments - Qualified Affordable Housing Project Escrow	225,942	200,970
Investments	20,266,418	18,271,033
Investment in Qualified Affordable Housing Project	8,323,298	8,323,298
Property and Equipment - Net	18,407,267	18,231,831
Beneficial Interests in Charitable Trusts	1,206,625	1,091,304
	<b>\$ 55,014,088</b>	<b>\$ 53,461,514</b>
<b>TOTAL ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable	\$ 197,625	\$ 508,204
Accrued Expenses	447,509	475,208
Operating Lease Liability	146,257	211,198
Finance Lease Liability	14,478	-
Security and Other Deposits	44,858	40,902
Development Fee Payable	77,430	77,430
Due to Affiliated Organizations	37,881	39,881
Note Payable	7,479	11,863
Mortgage Payable - Bank	169,097	221,776
Mortgages Payable - Delaware State Housing Authority	1,659,043	1,519,187
	<b>2,801,657</b>	<b>3,105,649</b>
<b>TOTAL LIABILITIES</b>		
<b>NET ASSETS</b>		
Without Donor Restrictions	45,097,995	41,267,296
With Donor Restrictions	7,114,436	9,088,569
	<b>52,212,431</b>	<b>50,355,865</b>
<b>TOTAL NET ASSETS</b>		
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 55,014,088</b>	<b>\$ 53,461,514</b>

The accompanying notes are an integral part of these consolidated financial statements.

**MINISTRY OF CARING, INC.**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2023**

	<b>2023</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>SUPPORT FROM OPERATIONS</b>			
Contributions	\$ 1,977,458	\$ 368,484	\$ 2,345,942
In-Kind Contributions	134,937	-	134,937
Fundraising Income	389,054	145,612	534,666
United Way	39,856	-	39,856
Government Grants	3,914,328	-	3,914,328
Program Fees	477,998	-	477,998
Program Fees - Government Contracts	701,103	-	701,103
Miscellaneous Income	11,920	-	11,920
<b>TOTAL SUPPORT FROM OPERATIONS</b>	<b>7,646,654</b>	<b>514,096</b>	<b>8,160,750</b>
<b>EXPENSES</b>			
Program Services (76%)	7,640,104	-	7,640,104
Management and General (19%)	1,943,883	-	1,943,883
Fundraising (5%)	508,595	-	508,595
<b>TOTAL EXPENSES</b>	<b>10,092,582</b>	<b>-</b>	<b>10,092,582</b>
<b>CHANGE IN NET ASSETS FROM OPERATIONS</b>	<b>(2,445,928)</b>	<b>514,096</b>	<b>(1,931,832)</b>
<b>OTHER SUPPORT AND REVENUE</b>			
Contributions and Grants Restricted for Capital Investment	-	1,150,000	1,150,000
Change in Value of Beneficial Interests in Charitable Trusts	-	115,321	115,321
Net Investment Gain	2,462,705	44,622	2,507,327
Income Distributed from Perpetual Trust	15,750	-	15,750
<b>TOTAL OTHER SUPPORT AND REVENUE</b>	<b>2,478,455</b>	<b>1,309,943</b>	<b>3,788,398</b>
Net Assets Released from Restriction	3,798,172	(3,798,172)	-
<b>CHANGE IN NET ASSETS</b>	<b>3,830,699</b>	<b>(1,974,133)</b>	<b>1,856,566</b>
<b>NET ASSETS - Beginning of Year</b>	<b>41,267,296</b>	<b>9,088,569</b>	<b>50,355,865</b>
<b>NET ASSETS - End of Year</b>	<b>\$ 45,097,995</b>	<b>\$ 7,114,436</b>	<b>\$ 52,212,431</b>

The accompanying notes are an integral part of these consolidated financial statements.

**MINISTRY OF CARING, INC.**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2022**

	<b>2022</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>SUPPORT FROM OPERATIONS</b>			
Contributions	\$ 2,298,994	\$ 547,051	\$ 2,846,045
In-Kind Contributions	17,350	-	17,350
Fundraising Income	650,794	101,607	752,401
United Way	50,004	-	50,004
Government Grants	4,634,609	-	4,634,609
Program Fees	496,217	-	496,217
Program Fees - Government Contracts	633,510	-	633,510
Miscellaneous Income	14,982	-	14,982
<b>TOTAL SUPPORT FROM OPERATIONS</b>	<b>8,796,460</b>	<b>648,658</b>	<b>9,445,118</b>
<b>EXPENSES</b>			
Program Services (78%)	7,891,667	-	7,891,667
Management and General (16%)	1,678,897	-	1,678,897
Fundraising (6%)	602,383	-	602,383
<b>TOTAL EXPENSES</b>	<b>10,172,947</b>	<b>-</b>	<b>10,172,947</b>
<b>CHANGE IN NET ASSETS FROM OPERATIONS</b>	<b>(1,376,487)</b>	<b>648,658</b>	<b>(727,829)</b>
<b>OTHER SUPPORT AND REVENUE</b>			
Contributions and Grants Restricted for Capital Investment	-	1,808,333	1,808,333
Change in Value of Beneficial Interests in Charitable Trusts	-	(294,313)	(294,313)
Net Investment Loss	(2,105,080)	(39,971)	(2,145,051)
Income Distributed from Perpetual Trust	25,385	-	25,385
Partnership Loss - Investment in Qualified Affordable Housing Project	(107)	-	(107)
<b>TOTAL OTHER SUPPORT AND REVENUE</b>	<b>(2,079,802)</b>	<b>1,474,049</b>	<b>(605,753)</b>
Net Assets Released from Restriction	1,881,022	(1,881,022)	-
<b>CHANGE IN NET ASSETS</b>	<b>(1,575,267)</b>	<b>241,685</b>	<b>(1,333,582)</b>
<b>NET ASSETS - Beginning of Year</b>	<b>42,842,563</b>	<b>8,846,884</b>	<b>51,689,447</b>
<b>NET ASSETS - End of Year</b>	<b>\$ 41,267,296</b>	<b>\$ 9,088,569</b>	<b>\$ 50,355,865</b>

The accompanying notes are an integral part of these consolidated financial statements.



**MINISTRY OF CARING, INC.**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2023**

	<b>2023</b>			
	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total Program and Supporting Services</b>
<b>SALARIES AND RELATED EXPENSES</b>				
Salaries - Religious Employees	\$ 579,366	\$ 176,039	\$ 40,412	\$ 795,817
Salaries - Lay Employees	3,036,164	822,286	206,416	4,064,866
Employee Benefits	591,789	179,814	41,278	812,881
Payroll Taxes	219,638	66,737	15,320	301,695
<b>TOTAL SALARIES AND RELATED EXPENSES</b>	<b>4,426,957</b>	<b>1,244,876</b>	<b>303,426</b>	<b>5,975,259</b>
<b>OTHER EXPENSES</b>				
Advertising and Public Relations	1,317	10,972	577	12,866
Amortization	-	2,606	-	2,606
Assistance to Individuals and Groups	441,053	-	-	441,053
Automobile Expenses	54,618	39,029	2,054	95,701
Bad Debt Expense	-	133,558	-	133,558
Cleaning and Janitorial	116,617	1,821	96	118,534
Conferences and Training	2,458	1,085	57	3,600
Depreciation	1,026,819	164,145	8,639	1,199,603
Educational and Program Supplies	16,845	-	-	16,845
Food and Beverages	226,311	1,571	83	227,965
Fundraising Events	-	-	145,540	145,540
Insurance	82,591	39,070	2,056	123,717
Interest Expense and Bank Fees	-	31,325	-	31,325
Medical and Dental Supplies	7,941	-	-	7,941
Minor Equipment	12,177	10,546	555	23,278
Miscellaneous	8,058	-	-	8,058
Office Supplies	20,826	9,234	486	30,546
Other Supplies	19,478	14,740	776	34,994
Postage	331	6,460	340	7,131
Printing and Publications	22,824	41,305	2,174	66,303
Professional Fees	182,088	70,325	-	252,413
Repairs and Maintenance	310,369	38,122	2,006	350,497
Service Contracts	211,743	-	35,357	247,100
Utilities	448,683	83,093	4,373	536,149
<b>TOTAL OTHER EXPENSES</b>	<b>3,213,147</b>	<b>699,007</b>	<b>205,169</b>	<b>4,117,323</b>
<b>TOTAL EXPENSES</b>	<b>\$ 7,640,104</b>	<b>\$ 1,943,883</b>	<b>\$ 508,595</b>	<b>\$ 10,092,582</b>

The accompanying notes are an integral part of these consolidated financial statements.

**MINISTRY OF CARING, INC.**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2022**

	<b>2022</b>			
	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total Program and Supporting Services</b>
<b>SALARIES AND RELATED EXPENSES</b>				
Salaries - Religious Employees	\$ 445,913	\$ 122,775	\$ 35,909	\$ 604,597
Salaries - Lay Employees	3,043,062	739,810	238,863	4,021,735
Employee Benefits	642,816	176,990	51,766	871,572
Payroll Taxes	213,191	58,699	17,168	289,058
<b>TOTAL SALARIES AND RELATED EXPENSES</b>	<b>4,344,982</b>	<b>1,098,274</b>	<b>343,706</b>	<b>5,786,962</b>
<b>OTHER EXPENSES</b>				
Advertising and Public Relations	120	65,569	3,451	69,140
Amortization	-	239	-	239
Assistance to Individuals and Groups	802,839	-	-	802,839
Automobile Expenses	47,120	36,906	1,942	85,968
Cleaning and Janitorial	111,366	1,633	86	113,085
Conferences and Training	3,290	2,205	116	5,611
Depreciation	1,072,728	108,155	5,692	1,186,575
Educational and Program Supplies	40,558	-	-	40,558
Food and Beverages	204,688	1,874	99	206,661
Fundraising Events	-	-	197,616	197,616
Insurance	75,856	48,121	2,533	126,510
Interest Expense and Bank Fees	-	28,742	-	28,742
Medical and Dental Supplies	9,954	-	-	9,954
Minor Equipment	10,952	3,890	205	15,047
Miscellaneous	14,188	15,946	839	30,973
Office Supplies	23,905	9,996	526	34,427
Other Supplies	11,932	22,875	1,204	36,011
Postage	173	8,822	464	9,459
Printing and Publications	22,373	38,536	2,028	62,937
Professional Fees	143,966	62,439	-	206,405
Repairs and Maintenance	281,077	71,256	3,750	356,083
Service Contracts	270,863	-	35,314	306,177
Utilities	398,737	53,419	2,812	454,968
<b>TOTAL OTHER EXPENSES</b>	<b>3,546,685</b>	<b>580,623</b>	<b>258,677</b>	<b>4,385,985</b>
<b>TOTAL EXPENSES</b>	<b>\$ 7,891,667</b>	<b>\$ 1,678,897</b>	<b>\$ 602,383</b>	<b>\$ 10,172,947</b>

The accompanying notes are an integral part of these consolidated financial statements.

**MINISTRY OF CARING, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Revenue and Other Support	\$ 7,918,090	\$ 9,749,375
Cash Paid to Suppliers and Employees	(8,805,963)	(8,887,624)
Interest Paid	(9,169)	(9,887)
Interest and Dividends Received	451,686	249,476
	<b>(445,356)</b>	<b>1,101,340</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property and Equipment	(1,595,289)	(3,951,054)
Purchase of Investments	(6,690,354)	(9,365,710)
Proceeds from Sale of Investments	6,867,421	9,532,333
Interest Earned but Retained in Mortgage Escrow Deposits	(3,733)	(1,743)
Net Deposits into Mortgage Escrow	(15,425)	(21,578)
Loan Advance to Affiliated Organization	(112,550)	-
	<b>(1,549,930)</b>	<b>(3,807,752)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Contributions and Grants Restricted for the Purchase of Property and Equipment	1,150,000	866,108
Proceeds from DSHA Mortgages Payable	139,856	574,741
Principal Payments on Finance Lease Liability	(2,090)	-
Principal Payments on Note Payable	(4,384)	(4,331)
Principal Payments on Mortgage Payable	(52,679)	(50,841)
	<b>1,230,703</b>	<b>1,385,677</b>
<b>NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH</b>	<b>(764,583)</b>	<b>(1,320,735)</b>
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - Beginning of Year</b>	<b>3,500,226</b>	<b>4,820,961</b>
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - End of Year</b>	<b>\$ 2,735,643</b>	<b>\$ 3,500,226</b>

The accompanying notes are an integral part of these consolidated financial statements.

**MINISTRY OF CARING, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS - CONTINUED**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 1,856,566	\$ (1,333,582)
Adjustments to Reconcile Change in Net Assets to Net Cash from Operating Activities		
Bad Debt Expense	133,558	-
Depreciation and Amortization	1,202,209	1,186,814
Losses (Gains) on Investments	(2,141,573)	2,312,928
Partnership Loss - Investment in Qualified Affordable Housing Project	-	107
Amortization of Discount on Promises to Give	(3,402)	(4,222)
Noncash Contributions Received	(130,851)	(104,183)
Contributions and Grants Restricted for the Purchase of Property and Equipment	(1,150,000)	(866,108)
Change in Value of Beneficial Interests in Charitable Trusts	(115,321)	294,313
Change in Assets		
Grants Receivable	112,331	429,089
Program Fees Receivable	(27,096)	(14,335)
Promises to Give	239,333	66,334
Prepaid Expenses and Other Assets	(13,289)	26,814
Right-of-Use Assets - Operating Leases	64,941	63,166
Due from Affiliated Organizations	(366,749)	(151,188)
Change in Liabilities		
Accounts Payable	(76,000)	(15,152)
Accrued Expenses	32,972	73,164
Operating Lease Liability	(64,941)	(63,166)
Conditional Grant - Other	-	(800,000)
Security and Other Deposits	3,956	(3,249)
Due to Affiliated Organizations	(2,000)	3,796
<b>TOTAL ADJUSTEMENTS</b>	<u>(2,301,922)</u>	<u>2,434,922</u>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>\$ (445,356)</u>	<u>\$ 1,101,340</u>

The accompanying notes are an integral part of these consolidated financial statements.

**MINISTRY OF CARING, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1: NATURE OF ACTIVITIES**

The Ministry of Caring, Inc. (Organization) is a nonprofit organization formed for the principal purpose of providing services to the poor in the Wilmington, Delaware area. The Organization is committed to serving the ongoing needs of the poor by providing food for the hungry, emergency shelter, transitional and permanent housing for the homeless, job assistance for the unemployed, clothing and furniture for the needy, childcare, residential services for people living with HIV/AIDS, medical and dental services for the poor, and advocacy and outreach for the disenfranchised. It is the Organization's belief that the poor should never be treated poorly, but with love, dignity, and respect. All of the Organization's programs offer hospitality and friendship while striving to meet basic needs and helping the poor attain self-sufficiency. The Organization's staff and volunteers minister to the poor not only by offering the necessities of life - food, shelter and employment - but also by helping restore their sense of self-worth and hope for the future.

The majority of the Organization's revenue is comprised of contributions and federal and state grants. For the years ended December 31, 2023 and 2022, 11% and 16%, respectively, of the Organization's total support from operations was derived from contracts with the U.S. Department of Housing and Urban Development.

A description of the Organization's primary program services is as follows:

***Child Care Services*** - The Organization operates three child-care centers, each of which responds to an acute need for affordable child-care for the homeless and working poor. These include residents of the Organization's emergency homeless shelters and additional residents of inner-city neighborhoods.

*Child Care Center* - Accepts children ages six weeks through kindergarten. Children learn and grow in an energetic environment.

*Il Bambino Infant Care Program* - Serves children from six weeks to 12 months old. Compassionate, fully qualified professionals, along with volunteers, provide infants with quality care. The program was closed during the year ended December 31, 2023.

*Guardian Angel Child Care* - Serves youngsters of working parents with low incomes. Children range from one year old through kindergarten age. All classes maintain a low child-to-staff ratio, with a teacher and teacher's assistant in each classroom.

***Dining Room Services*** - The Emmanuel Dining Room helps alleviate the immediate needs of Delaware's hunger with nutritious meals served at no cost. The program operates at three locations in economically depressed areas of Wilmington and New Castle, Delaware. At the heart of Emmanuel Dining Room, lies the faithful ongoing support of members of nearly 100 churches, synagogues, businesses, and civic groups who prepare and serve meals on a rotating basis.

**MINISTRY OF CARING, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2023**

**NOTE 1: NATURE OF ACTIVITIES - CONTINUED**

***Emergency Shelters*** - The Organization's four emergency shelters provide lodging and daily meals for homeless men, women, and families. All clients receive case management, and basic needs like clothing and personal supplies. Residents are required to work on their goals and develop skills that will allow them to live independently. Each client must implement a budget, begin a savings plan, and participate in life-skills workshops.

*Mary Mother of Hope House I* - Opened in 1977 as the first emergency shelter for single homeless women in the Delmarva Peninsula. This shelter provides housing and supportive services for those women 18 and over who want to address the root causes of their homelessness. Programs include intensive case management, drug and alcohol counseling, mental health services, housing assistance and placement, and job search and training.

*Mary Mother of Hope House II & III* - In response to the special needs of homeless women with children, these sites provide residents with a stable environment of support and guidance along with nourishing, well-balanced meals for 30 to 45 days. In their journeys toward self-sufficiency, the women also have an opportunity to acquire skills in life management and parenting and also to use the Organization's child-care services. Their children receive educational and recreational enrichment throughout their stays.

*House of Joseph I* - Provides emergency shelter and services to homeless employable men. Residents come to the shelter for reasons that include family challenges, substance abuse, mental health disorders, unemployment, or underemployment. Case managers initially help the men to resolve immediate crises. Subsequently, they begin the process of identifying barriers to long-term self-sufficiency. The opportunity to learn life management skills has proven especially helpful.

***Long-Term Housing Services*** - The Organization provides long-term housing through programs designed to support formerly homeless people to become self-sufficient.

*Mary Mother of Hope House Permanent Housing* - Offers housing to women who have lived through homelessness, substance abuse, mental illness, domestic violence, or other life challenges. Residents work toward achieving employment retention and independent living. All who enter Hope House Permanent Housing have successfully completed a stay at Hope House I Emergency Shelter for homeless women.

*Bethany House I & II* - Provides long-term supportive housing for formerly homeless women who have a wide spectrum of special needs. Residents, some of whom are employed, may suffer from mental or physical handicaps. Those unable to work are encouraged to perform volunteer jobs and to participate in job training.

**MINISTRY OF CARING, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2023**

**NOTE 1: NATURE OF ACTIVITIES - CONTINUED**

***Long-Term Housing Services - Continued***

House of Joseph II - Home to 16 men and women living with HIV/AIDS. Round-the-clock care is provided by certified nursing assistants supervised by a registered nurse, and the services of a case manager are also provided. A physician from St. Francis Hospital serves as medical director in coordinating admissions. Residents receive meals, snacks, housekeeping services, and personal care.

Padre Pio House - Long-term residence for men who need supportive services for disabilities that involve mental health disorders and/or substance abuse. Residents use supportive services at House of Joseph I, an emergency shelter operated by the Organization for homeless men. They also have access to substance abuse programs, education, health care, and other community services that help them move toward their highest level of self-sufficiency.

***Holistic Housing Services*** - The Organization provides holistic housing through programs designed to support homeless people leaving the Organization's emergency shelters.

House of Joseph Residence - This program provides homeless persons with transitional housing for up to two years following a stay in House of Joseph I or Hope House I Emergency Shelter. Supported with ongoing case management, residents continue working on the root causes of homelessness to regain self-sufficiency. To achieve program objectives of employment retention and independent living, residents have access to services in job search/training and have an opportunity to acquire life management skills.

Maria Lorenza Longo Holistic Housing - Is a long-term residence for single women who need ongoing support to prevent them from returning to homelessness. Most residents come to Maria Lorenza Longo Holistic Housing to work toward greater self-sufficiency after a successful stay at a holistic program or from Mary Mother of Hope House I.

St. Francis Holistic Housing - Provides a comprehensive network of supportive services for women with children. Services include childcare, a crucial link in the successful transition from poverty to self-sufficiency. During 2023, the St. Francis Holistic Housing transitioned to St. Francis Apartments.

Nazareth House Holistic Housing I & II - Is an innovative component in the continuum of care for the homeless. Families who have been separated in the emergency shelter system find here an opportunity to reunite, develop, and stabilize as families.

**MINISTRY OF CARING, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2023**

**NOTE 1: NATURE OF ACTIVITIES - CONTINUED**

***Support Services*** - The Organization offers a direct service-site where homeless and impoverished clients can come for basic necessities, like a shower or change of clothes, plus counseling services. The Organization offers a dental clinic geared to those with low or no income and who lack insurance. A Job Placement Center assists people seeking employment. Through a partnership with St. Francis Hospital medical services are provided to the poor.

*The Distribution Center* - Is a collection, storage, and distribution point for donated clothing, furniture, and household items that are given at no cost to anyone in need. It operates from a 5,400 square-foot warehouse in the northeast section of Wilmington.

*The Job Placement Center* - Helps disadvantaged and/or chronically homeless men and women, including the unskilled, to develop employment skills and obtain work. Individuals committed to learning and to maintaining employment in a specific field may enroll in one of the training programs operated by the Job Placement Center.

*The Pierre Toussaint Dental Office* - Provides basic dental services to residents of all three counties in the State of Delaware. Services include fillings, cleanings, extractions, dentures, and partial dentures to poor and uninsured patients ages 19 to 64.

*St. Clare Medical Outreach* - Brings basic medical care to the uninsured. St. Francis Hospital provides a full-time physician, a registered nurse, a bilingual medical assistant, and a driver for the 34½-foot custom van that travels to the poor at the Organization's sites and in other neighborhoods in Wilmington, Delaware. Two examination rooms are available for walk-in services.

***The Francis X. Norton Center*** - Is available for social and educational functions of many types, including meetings, education, community events, and fundraisers.

In addition to the programs listed above, the Organization's Ministry of Caring Guild is a fundraising program that coordinates certain special events for the purpose of providing additional resources to the programs of the Organization.

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES**

***Principles of Consolidation*** - The Organization's consolidated financial statements include the accounts of Ministry of Caring, Inc. and its wholly owned subsidiary, Village of St. John, Inc. Village of St. John, Inc. is a separate corporate entity established to hold the Organization's capital investment in Village of St. John, L.P. Village of St. John, L.P. was formed as a limited partnership for the purpose of acquiring, constructing, renovating, and operating a 53-unit



**MINISTRY OF CARING, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2023**

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

***Principles of Consolidation - Continued*** - senior housing apartment complex in Wilmington, Delaware known as Village of St. John. Significant intercompany balances are eliminated. Unless otherwise noted, these consolidated entities are hereinafter referred to as the Organization.

***Basis of Accounting*** - The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

***Changes in Accounting Principles*** - In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-13, *Financial Instruments - Credit Losses* (Topic 326), which significantly changes how organizations measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through changes in net assets. The most significant change is a shift from the incurred loss model to the expected loss model. Under Topic 326, disclosures are required to provide users of the consolidated financial statements with useful information in analyzing an organization's exposure to credit risk and the measurement of credit losses. Financial assets held by the Organization that are subject to the guidance in Topic 326 were program fee receivables.

The Organization adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the consolidated financial statements and primarily resulted in enhanced disclosures only.

***Revenue Recognition for Contracts with Customers*** - In accordance with the FASB Accounting Standards Codification (ASC) 606, *Revenue Recognition Standard*, the Organization recognizes revenue resulting from contracts with customers when it satisfies its performance obligations by transferring control over a product or service to a customer. The following is a description of principal exchange transactions from which the Organization generates revenue:

**Program Fees** - Revenue from program services consist primarily of childcare fees, dental fees, and administrative service fees from affiliated organizations. Childcare fees are comprised of direct payments from families, as well as subsidy payments made on behalf of families from the State of Delaware Purchase of Care program. Childcare fees are recognized over time, in the period the related services are delivered. The Pierre Toussaint Dental Office provides basic dental services to uninsured poor patients. Dental fees are comprised of direct payments from patients, as well as subsidy payments made on behalf of patients from the State of Delaware Ryan White program. Dental fees are recognized at the point in time the services are provided. The Organization provides administrative services for affiliated organizations on a monthly basis. Administrative service fees are recognized over time in the period the related services are delivered.

**MINISTRY OF CARING, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2023**

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

***Revenue Recognition for Contracts with Customers - Continued***

*Program Fees - Continued* - Unconditional amounts due from customers for services in which the Organization has met its performance obligations are recorded as program fee receivables on the consolidated statements of financial position. Program fee subsidies from the State of Delaware are included in program fees government contracts in the consolidated statements of activities.

At times, the Organization may receive payments prior to the period in which the Organization will provide the related programs and services. These payments represent contract liabilities and are recorded as deferred revenue on the consolidated statements of financial position. Amounts paid in advance are deferred to the period in which the applicable programs and services will be delivered. There was no deferred revenue as of December 31, 2023 and 2022.

The Organization receives rental fees from tenants. This revenue is included in program fees in the consolidated statements of activities and falls outside the scope of Topic 606. Rental income is recognized on a straight-line basis over the term of the related lease agreement in accordance with FASB ASC 842, *Leases*.

*Fundraising Income - Special Events* - The Organization recognizes special event revenue equal to the cost of direct benefits provided to the donor, and contribution revenue for the difference. Special event revenue equal to the cost of the direct benefits provided to the donor is recognized at the time the benefit is delivered, generally when the event occurs. Contribution revenue resulting from special events is recognized upon receipt. Special event revenue is included in fundraising income on the consolidated statements of activities.

*Affordable Housing Developer Fee* - During the year ended December 31, 2017, the Organization entered into an agreement with the Village of St. John, L.P. to provide certain services with respect to overseeing the development of the Village of St. John project. The development agreement contains distinct performance obligations related to the construction of the project. The Organization recognizes development fee revenue over time as the performance obligations are met. As of December 31, 2019, all performance obligations had been met and all related revenue had been recognized accordingly. Payment of the development fee is contingent upon the occurrence of certain events, as detailed in the development agreement. Conditional amounts due from the Village of St. John, L.P. for services in which the Organization has met its performance obligations represent contract assets and are recorded as developer fee receivable on the consolidated statements of financial position.

Note 5 discloses accounts receivable and contract asset balances related to revenue from contracts with customers as of the beginning and the end of the years ended December 31, 2023 and 2022. There were no contract liabilities with respect to revenue from contracts with customers as of the beginning or the end of the years ended December 31, 2023 and 2022.

**MINISTRY OF CARING, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2023**

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

***Revenue Recognition for Contributions and Grants*** - Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Revenue under these contracts and grants is recognized when the Organization has fulfilled certain performance requirements or incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to fulfilling certain performance requirements or incurring qualifying expenditures are reported as refundable grants in the consolidated statements of financial position.

As of December 31, 2023 and 2022, the Organization had remaining award balances on conditional cost-reimbursable federal and state contracts and grants of \$1,511,875 and \$1,757,543, respectively. These award balances are not recognized in the accompanying consolidated financial statements. These contracts and grants are conditioned upon performance requirements and the incurrence of allowable qualifying expenses for Ministry of Caring, Inc. programs.

During the year ended December 31, 2023, the Organization was awarded a \$3,000,000 federal cost-reimbursable grant conditioned upon the incurrence of allowable qualifying expenditures for the development of the Villa Maria housing project. This award balance is not recognized in the accompanying consolidated financial statements.

During the year ended December 31, 2023, the Organization was awarded a \$1,000,000 grant restricted for the development of the Villa Maria housing project. In October 2023, the Organization received an initial installment of \$500,000 upon the execution of the grant agreement. The remaining \$500,000 is conditional, contingent upon the grantor receiving certification that 75% of the project has been completed.

***Net Assets*** - Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

***Net Assets Without Donor Restrictions*** - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions, although their use may be limited by board designation.

***Net Assets With Donor Restrictions*** - Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other

**MINISTRY OF CARING, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2023**

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

*Net Assets - Continued*

*Net Assets With Donor Restrictions - Continued* - events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are released from restriction when the assets are placed in service.

The Organization has elected the simultaneous release accounting policy for donor-restricted contributions and grants that are initially recognized as conditional contributions and the satisfaction of both donor-imposed condition and donor-imposed restriction occurs at the same time. These transactions primarily consist of contracts with government agencies. With respect to these transactions, the Organization reports an increase in net assets without donor restrictions with the restriction and condition being satisfied in the same reporting period the revenue is recognized.

***Cash and Cash Equivalents*** - The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for, nor restricted by, donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to building projects are presented separately in the consolidated statements of financial position. Uninvested cash and money market funds held in investments are excluded from cash and cash equivalents and reported as investments in the consolidated statements of financial position.

***Allowance for Credit Losses*** - Accounts receivable mainly consists of amounts billed to government agencies for the childcare program. Accounts receivable are stated at their net realizable value. At each statement of financial position date, the Organization recognizes an expected allowance for credit losses. In addition, at each reporting date, this estimate is updated to reflect any changes in credit risk since the receivable was initially recorded. This estimate is calculated on a pooled basis where similar risk characteristics exist. Accounts receivable are evaluated individually when they do not share similar risk characteristics.

The allowance estimate is derived from a review of the Organization's historical losses based on the aging of receivables. This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the Organization. The Organization believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses as the Organization's portfolio segments have remained consistent.

**MINISTRY OF CARING, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2023**

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

*Allowance for Credit Losses - Continued*

The allowance for credit losses was \$0 as of December 31, 2023. The Organization writes off receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in income or an offset to bad debt expense in the year of recovery, in accordance with the Organization's accounting policy election. Bad debt expense totaled \$0 for the year ended December 31, 2023.

Allowance for doubtful accounts was \$0 as of December 31, 2022. Bad debt expense totaled \$0 for the year ended December 31, 2022.

*Grants Receivable* - Grants receivable consist of noninterest-bearing grants due from government agencies. The Organization has determined that no allowance for uncollectible grants receivable is required based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Grants receivable written off to bad debt expense amounted to \$92,500 and \$0 for the years ended December 31, 2023 and 2022, respectively.

*Promises to Give* - Unconditional promises to give are recognized as revenues or gains in the period received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the consolidated statements of activities. The discount rate used on long-term promises to give was 1.47% as of December 31, 2023 and 2022. The Organization determines the allowance for uncollectible promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible. Promises to give written off to bad debt expense amounted to \$41,058 and \$0 for the years ended December 31, 2023 and 2022, respectively. There was no allowance for uncollectible promises to give as of December 31, 2023 and 2022.

*Investments* - Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the consolidated statements of financial position. Net investment income is reported in the consolidated statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

*Property and Equipment* - Property and equipment additions over \$5,000 are recorded at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets, or in the case of capitalized leased assets or leasehold improvements, the lesser of

**MINISTRY OF CARING, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2023**

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

***Property and Equipment - Continued*** - the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the consolidated statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed.

The Organization reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended December 31, 2023 and 2022.

***Investment in Qualified Affordable Housing Project*** - In accordance with the FASB ASC 323, *Investments - Equity Method and Joint Ventures*, the Organization recognizes its capital investment in Village of St. John, L.P. under the equity method of accounting since they have significant influence over this unincorporated entity. Under the equity method of accounting, the accounts of Village of St. John, L.P. are not reflected in the Organization's consolidated financial statements; however, the Organization's share of earnings or losses of Village of St. John, L.P. is reflected as partnership loss - investment in qualified affordable housing project in the consolidated statements of activities.

***Beneficial Interests in Charitable Trusts*** - The Organization has been named as an irrevocable beneficiary of charitable trusts held and administered by independent trustees. These trusts were created independently by donors and are administered by outside agents designated by the donors. Therefore, the Organization has neither possession nor control over the assets of the trusts. At the date notice is received of a beneficial interest, a contribution with donor restrictions is recorded in the consolidated statements of activities, and a beneficial interest in charitable trusts is recorded in the consolidated statements of financial position at fair value using present value techniques and risk adjusted discount rates designed to reflect the assumptions market participants would use in pricing the expected distributions to be received under the agreement. Thereafter, beneficial interests in the trusts are reported at fair value in the consolidated statements of financial position, with changes in fair value recognized in the consolidated statements of activities.

Beneficial interests in charitable trusts include the following:

***Interests in Charitable Remainder Unitrusts*** - Upon the death of the income beneficiaries, the Organization will receive its designated percentage of the remaining principal in these trusts. The Organization reports the asset at its fair value considering discount rates ranging from 4.68% to 6.80% and the estimated life expectancy of the beneficiaries. Upon receipt of trust distributions or expenditures, or both, in satisfaction of the donor-restricted purpose, if any, net assets with donor-imposed time or purpose restrictions are released to net assets without donor restrictions.

**MINISTRY OF CARING, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2023**

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

***Beneficial Interests in Charitable Trusts - Continued***

*Interests in Perpetual Trusts* - The beneficial interest allows the Organization to receive its pro rata share of an annual required minimum distribution; however, the Organization will never receive the assets of the trust. The Organization measures its beneficial interest in the trust's assets at fair value. Distributions from the perpetual trust are reported as income distributed from perpetual trust in the consolidated statements of activities.

***Security Deposits*** - The Organization imposes a security deposit on residents based upon approximately 30% of the resident's initial monthly gross income. The deposit is returned upon vacancy of the unit.

***In-Kind Contributions*** - The Organization's contributed nonfinancial assets include donated property and various raffle items for the EDR Auction event which are recorded at their estimated fair values. The Organization does not sell these donated gifts-in-kind. In addition to contributed nonfinancial assets, volunteers contribute time to program services, administrative activities, and fundraising events; however, the consolidated financial statements do not reflect the value of these contributed services, because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods and services are recorded at fair value at the date of the donation.

Donations of property and equipment are reported as net assets without donor restrictions 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 net assets with donor restrictions. In the absence of explicit donor stipulations, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

***Use of Estimates*** - The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

***Functional Allocation of Expenses*** - The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

***Advertising and Public Relations*** - Advertising and public relations costs are expensed as incurred.

**MINISTRY OF CARING, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2023**

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

*Amortization* - Due to the immaterial balance of the Organization's loan origination fees (Note 17), the Organization has not adopted the requirements in FASB ASC 835-30, *Imputation of Interest*, which would require loan origination fees to be reported as a reduction of the carrying amount of the related debt rather than as an asset. Loan origination fees are reported net of accumulated amortization and included in prepaid expenses and other assets on the consolidated statements of financial position. Amortization is calculated using the straight-line method over the estimated useful life of 40 years and is reported as amortization expense in the consolidated statements of functional expenses. In the consolidated statements of functional expenses, amortization expense includes loan origination fees and amortization of right-of-use finance lease assets (refer to note 24).

*Fair Value* - The Organization follows the provisions of FASB ASC 820, *Fair Value Measurements and Disclosure*. Under FASB ASC 820, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. FASB ASC 820 establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available.

The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access. Since valuations are based on quoted market prices that are readily and regularly available in an active market, it does not entail a significant degree of judgment.

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

*Income Taxes* - The Ministry of Caring, Inc. is a nonprofit organization that is exempt from income taxes under the Internal Revenue Service (IRS) Section 501(c)(3) of the Internal Revenue Code (Code) and therefore, has made no provision for federal income taxes in the accompanying consolidated financial statements. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been determined by the IRS not to be a "private foundation" within the meaning of Section 509(a)(2) of the IRS Code.



**MINISTRY OF CARING, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2023**

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

*Income Taxes - Continued*

The Ministry of Caring, Inc.'s wholly owned subsidiary is treated as a for-profit corporation for federal and state income tax purposes. There was no taxable income attributed to this entity during the years ended December 31, 2023 and 2022, and therefore, a provision for income taxes is not required.

Income not related to the Ministry of Caring Inc.'s tax-exempt purpose may be subject to taxation as unrelated business income. Accounting principles generally accepted in the United States of America impose a threshold for determining when an income tax benefit can be recognized in regard to uncertain tax positions. The Ministry of Caring, Inc. has determined that no liability for uncertain tax positions is required to be accrued and included in the consolidated statements of financial position as of December 31, 2023 and 2022.

The federal informational returns of the Organization for the years ended December 31, 2020, 2021, and 2022, are subject to examination by the IRS, generally for three years after they were filed.

*Financial Instruments and Credit Risk* - The Organization manages deposit concentration risk by placing cash and money market accounts with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Organization has not experienced losses in any of these accounts. The uninsured balances as of December 31, 2023 and 2022, were \$4,976,311 and \$5,469,375, respectively.

Credit risk associated with receivables and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from recurring donors, governmental agencies, and foundations supportive of the Organization's mission. Investments are made by investment managers whose performance is monitored by the Organization. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Organization believes that the investment policies and guidelines are prudent for its long-term welfare.

*Subsequent Events* - The Organization evaluates events and transactions subsequent to its year end for potential recognition in the consolidated financial statements or disclosure in the notes to the consolidated financial statements. Management has evaluated events and transactions through the date of the independent auditor's report, which is the date the consolidated financial statements were available to be issued.

**MINISTRY OF CARING, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2023**

**NOTE 3: AVAILABILITY AND LIQUIDITY**

The following reflects the Organization’s financial assets as of the date of the consolidated statements of financial position, reduced by amounts not available for general use because of contractual, board-designated, or donor-imposed restrictions within one year of the consolidated statements of financial position date:

	2023	2022
Financial Assets as of December 31		
Cash and Cash Equivalents	\$ 2,735,643	\$ 3,500,226
Grants Receivable	710,668	915,499
Program Fees Receivable	80,871	53,775
Promises to Give - Net	379,835	656,824
Developer Fee Receivable	423,011	423,011
Due from Affiliated Organizations	1,435,612	956,313
Mortgage Escrow Accounts	521,454	502,296
Investments - Qualified Affordable Housing Project Escrow	225,942	200,970
Investments	20,266,418	18,271,033
Beneficial Interest in Charitable Trusts	1,206,625	1,091,304
Total Financial Assets as of December 31	27,986,079	26,571,251
Less: Amounts Not Available for General Expenditures Within One Year		
Donor Restricted - Purpose Restricted for Capital Projects	(4,668,575)	(6,679,264)
Donor Restricted - Time Restriction in Future Periods Beyond One Year	(120,000)	(203,500)
Donor Restricted Endowment Funds	(981,453)	(937,993)
Noncurrent Portion of Developer Fee Receivable	(423,011)	(423,011)
Amounts Due from Affiliates Subject to Distribution Restrictions	(969,882)	(606,571)
Mortgage Escrow Accounts Not Available for Operations	(521,454)	(502,296)
Security and Other Deposits Held for Others	(44,858)	(40,902)
Qualified Affordable Housing Project Escrow Held in Board-Designated Endowment	(225,942)	(200,970)
Board-Designated Endowment Funds Without Donor Restrictions in Excess of Annual Spending Allocation in the Amount of \$0 for the Years Ending December 31, 2024 and 2023	(15,534,337)	(13,082,412)
Beneficial Interest in Charitable Trusts in Excess of Estimated Annual Distribution from Perpetual Trust	(1,190,875)	(1,065,919)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$ 3,305,692	\$ 2,828,413

The Organization has a goal to maintain no less than 90 days of working capital. The Organization will generally structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As described in Note 18, the Organization has a line of credit that could be drawn upon in the event of an unanticipated liquidity need.

**MINISTRY OF CARING, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2023**

**NOTE 3: AVAILABILITY AND LIQUIDITY - CONTINUED**

Board-designated endowment funds are subject to an annual spending policy of 4% of the rolling three-year average value. Board-designated endowment fund amounts in excess of the annual spending policy have been reflected as unavailable for general expenditures within one year in the chart above. These amounts could be made available by a board resolution in the event of financial distress, or an immediate liquidity need. As described in Note 13, effective January 1, 2021, the Organization’s Board of Directors passed a resolution to temporarily suspend distributions from the board-designated endowment fund.

**NOTE 4: NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consisted of the following as of December 31:

	<u>2023</u>	<u>2022</u>
Subject to Expenditure for Specified Purposes		
Purpose Restricted for Capital Projects		
Village of St. John	\$ 727,376	\$ 727,376
Josephine Bakhita House	-	824,000
Villa Maria	3,468,976	2,968,976
Emmanuel Dining Room	460,000	60,000
Nazareth House	-	100,000
Child Care Playground	12,223	12,223
House of Joseph Holistic Housing	-	215,000
Distribution Center	-	125,000
General Infrastructure Capital Campaign	-	1,288,522
Promises to Give - General Infrastructure Campaign	-	358,167
	<u>4,668,575</u>	<u>6,679,264</u>
Purpose Restricted for Program Initiatives		
Child Care Scholarships	25,000	25,000
Clif Abel Holiday Fund	23,609	23,609
Emmanuel Dining Room - Nourishing Neighbors	24,174	24,174
	<u>72,783</u>	<u>72,783</u>
Subject to Time Restriction in Future Periods		
Promise to Give for Administration Building Debt Service	180,000	240,000
Promises to Give - 45th Anniversary Event	5,000	67,225
	<u>185,000</u>	<u>307,225</u>

**MINISTRY OF CARING, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2023**

**NOTE 4: NET ASSETS WITH DONOR RESTRICTIONS - CONTINUED**

	<u>2023</u>	<u>2022</u>
Subject to Endowment Spending Policy and Appropriation		
Child Care Program Operations (Held in Endowment)	\$ 653,385	\$ 654,547
Endowment Fund to Support Emmanuel Dining Room (Including Original Gift Amount of \$87,237)	<u>328,068</u>	<u>283,446</u>
Total Subject to Endowment Spending Policy and Appropriation	<u>981,453</u>	<u>937,993</u>
Not Subject to Appropriation or Expenditure		
Beneficial Interest in Remainder Trusts	351,040	308,629
Beneficial Interest in Perpetual Trusts	<u>855,585</u>	<u>782,675</u>
Total Not Subject to Appropriation or Expenditure	<u>1,206,625</u>	<u>1,091,304</u>
Total Net Assets With Donor Restrictions	<u>\$ 7,114,436</u>	<u>\$ 9,088,569</u>

Net assets were released from donor restrictions during the years ended December 31 for satisfaction of restricted purpose or the passage of time as follows:

	<u>2023</u>	<u>2022</u>
Net Assets Released from Restriction for Capital Investment		
Josephine Bakhita House	\$ 824,000	\$ -
Villa Maria	-	455,240
Nazareth House	100,000	-
House of Joseph Holistic Housing	215,000	-
Distribution Center	375,000	-
General Infrastructure Capital Campaign	1,646,689	398,963
Il Bambino Child Care	<u>-</u>	<u>70,000</u>
Total Released from Restriction for Capital Investment	<u>3,160,689</u>	<u>924,203</u>
Net Assets Released from Restriction for Program Expenditures		
Child Care Scholarships	1,162	-
Emmanuel Dining Room Operations	514,096	756,008
Homelessness Diversion Program	-	112,061
Other Program Initiatives	<u>-</u>	<u>750</u>
Total Released from Restriction for Program Expenditures	<u>515,258</u>	<u>868,819</u>
Net Assets Released from Restriction with the Passage of Time	<u>122,225</u>	<u>88,000</u>
Total Net Assets Released from Restriction	<u>\$ 3,798,172</u>	<u>\$ 1,881,022</u>

**MINISTRY OF CARING, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2023**

**NOTE 5: REVENUE FROM CONTRACTS WITH CUSTOMERS**

The following tables disaggregate the Organization's revenue based on the timing of satisfaction of performance obligations for the year ended December 31:

	2023		
	Services Provided		
	At a Point in Time	Over Time	Total
Program Fees	\$ 85,477	\$ 160,490	\$ 245,967
Program Fees - Government Contracts	6,222	694,881	701,103
Miscellaneous Income	11,920	-	11,920
	<u>\$ 103,619</u>	<u>\$ 855,371</u>	<u>\$ 958,990</u>
	2022		
	Services Provided		
	At a Point in Time	Over Time	Total
Program Fees	\$ 73,116	\$ 145,136	\$ 218,252
Program Fees - Government Contracts	11,371	622,139	633,510
Miscellaneous Income	14,933	-	14,933
	<u>\$ 99,420</u>	<u>\$ 767,275</u>	<u>\$ 866,695</u>

Accounts receivable and contract asset balances from contracts with customers are as follows:

	2023		
	Accounts Receivable	Contract Assets	Contract Liabilities
Beginning of Year	\$ 53,775	\$ 423,011	\$ -
End of Year	80,871	423,011	-
	2022		
	Accounts Receivable	Contract Assets	Contract Liabilities
Beginning of Year	\$ 39,440	\$ 423,011	\$ -
End of Year	53,775	423,011	-

**MINISTRY OF CARING, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2023**

**NOTE 6: IN-KIND CONTRIBUTIONS**

For the years ended December 31, 2023 and 2022, contributed nonfinancial assets recognized within the consolidated statements of activities included the following:

	<u>2023</u>	<u>2022</u>
Contributions of Nonfinancial Assets		
Various Raffle Items for EDR Auction Event	\$ 59,937	\$ 17,350
Property	<u>75,000</u>	<u>-</u>
Total Contributions of Nonfinancial Assets	<u>\$ 134,937</u>	<u>\$ 17,350</u>

The Organization receives various forms of gifts-in-kind, including raffle items for the EDR Auction fundraising event and property. During the year ended December 31, 2023, the Organization received donated property with a fair market value of \$75,000 on the date of donation. The Organization intends to use this property in the future to create a property management office for the senior housing projects. The donated raffle items were raffled off to attendees at the EDR Auction fundraising event. The fair value of these items were estimated based on the value that would be received for selling the goods and services in their principal market at the time of donation. Except for as noted above, donated gifts-in-kind are not sold and did not have donor restrictions.

**NOTE 7: SUPPLEMENTAL CASH FLOW DISCLOSURES**

The following is a summary of cash, cash equivalents, and restricted cash as reported on the consolidated statements of cash flows:

	<u>2023</u>	<u>2022</u>
Cash and Cash Equivalents	\$ 1,895,122	\$ 3,500,226
Cash and Cash Equivalents - Restricted for Investment in Capital	<u>840,521</u>	<u>-</u>
Total Cash, Cash Equivalents, and Restricted Cash		
Reported on the Consolidated Statements of Cash Flows	<u>\$ 2,735,643</u>	<u>\$ 3,500,226</u>

**MINISTRY OF CARING, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2023**

**NOTE 7: SUPPLEMENTAL CASH FLOW DISCLOSURES - CONTINUED**

Noncash investing and financing activities for the years ended December 31, 2023 and 2022, consisted of the following:

	<u>2023</u>	<u>2022</u>
Noncash Investing and Financing Activities		
Donated Investments	\$ 55,851	\$ 104,183
Donated Property and Equipment	75,000	-
Property and Equipment Acquired with Accounts Payable	76,246	310,825
Property and Equipment Acquired with Accrued Expenses	-	192,105
Right-of-Use Operating Lease Assets Acquired Through Operating Lease Liability	-	274,364
Right-of-Use Finance Lease Assets Acquired Through Finance Lease Liability	16,568	-

**NOTE 8: GRANTS RECEIVABLE**

Grants receivable were due from the following agencies as of December 31:

	<u>2023</u>	<u>2022</u>
State of Delaware - Division of Social Services	\$ 48,226	\$ 155,094
State of Delaware - Grant-In-Aid	192,500	165,745
City of Wilmington - Emergency Solutions Grant	3,288	48,795
State of Delaware - Office of Community Services	89,687	61,267
New Castle County - Emergency Solutions Grant	5,000	-
First State Community Action Agency	99,673	155,243
State of Delaware - Purchase of Care Stars Program	12,888	34,281
State of Delaware - Child and Adult Care Food Program	36,437	25,726
City of Wilmington - HOPWA	110,124	32,789
State of Delaware - Division of Public Health	-	41,037
U.S. Department of Housing and Urban Development Continuum of Care	22,596	125,349
HOPWA	90,249	64,217
State of Delaware - AmeriCorp Program	-	5,956
Total	<u>\$ 710,668</u>	<u>\$ 915,499</u>

**MINISTRY OF CARING, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2023**

**NOTE 9: UNCONDITIONAL PROMISES TO GIVE**

Unconditional promises to give as of December 31 were receivable from various donors as follows:

	2023	2022
Receivable in Less than One Year	\$ 165,000	\$ 253,558
Receivable in One to Five Years	220,000	411,833
	385,000	665,391
Less: Discounts to Net Present Value	5,165	8,567
Total Unconditional Promises to Give - Net	\$ 379,835	\$ 656,824

**NOTE 10: MORTGAGE ESCROW DEPOSITS**

Escrow deposits associated with mortgages payable for the properties at the Mary Mother of Hope House I program, St. Francis Holistic Housing program, and House of Joseph Holistic Housing program are held with the Delaware State Housing Authority (DSHA) and consisted of the following as of December 31:

	2023	2022
<b><i>Delaware State Housing Authority Operating Reserve</i></b> - Funds may be utilized for the payment of operating expenses and loan delinquencies.		
- Mary Mother of Hope House I Fund	\$ 202,765	\$ 202,765
- St. Francis Holistic Housing Fund	16,426	16,426
<b><i>Insurance Reserve</i></b> - Funds may be utilized for insurance premiums.		
- Mary Mother of Hope House I Fund	74,989	65,389
- St. Francis Holistic Housing Fund	5,613	5,613
<b><i>Reserve for Replacement</i></b> - Funds may be utilized for replacement of structural elements and mechanical equipment or for common area painting and decorating.		
- Mary Mother of Hope House I Fund	70,733	64,290
- St. Francis Holistic Housing Fund	128,799	125,684
<b><i>Interest Reserve</i></b> - Represents interest earned on reserves and may be utilized for operating expense deficits at DSHA's approval.		
- Mary Mother of Hope House I Fund	40	40
- St. Francis Holistic Housing Fund	2,441	2,441



**MINISTRY OF CARING, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2023**

**NOTE 10: MORTGAGE ESCROW DEPOSITS - CONTINUED**

	<u>2023</u>	<u>2022</u>
<i>Working Capital Reserve</i> - Represents 2.5% of the combined construction financing. Funds will be released at permanent closing provided there are no outstanding construction or financial issues.		
- House of Joseph Holistic Housing Fund	\$ 19,648	\$ 19,648
	\$ 521,454	\$ 502,296

**NOTE 11: NET INVESTMENT INCOME (LOSS)**

Net investment income (loss) consisted of the following for the years ended December 31:

	<u>2023</u>	<u>2022</u>
Interest and Dividends	\$ 451,686	\$ 249,476
Investment Advisory Fees	(85,932)	(81,599)
Realized Gains	261,888	387,674
Unrealized Gains (Losses)	1,879,685	(2,700,602)
Net Investment Income (Loss)	\$ 2,507,327	\$ (2,145,051)

**NOTE 12: FAIR VALUE MEASUREMENTS**

Fair values of assets measured on a recurring basis as of December 31 are as follows:

	<u>2023</u>				
	<u>Total Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Investments					
Cash Funds	\$ 2,881,723	\$ 2,881,723	\$ -	\$ -	\$ 2,881,723
U.S. Treasury Securities	5,121,855	5,121,855	-	-	5,171,543
Mutual Funds	3,235,338	3,235,338	-	-	3,121,140
Corporate Bonds	688,065	688,065	-	-	710,584
Domestic Equities	7,011,243	7,011,243	-	-	5,536,463
International Equities	1,328,194	1,328,194	-	-	1,188,905
Total Investments	20,266,418	20,266,418	-	-	18,610,358

**MINISTRY OF CARING, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2023**

**NOTE 12: FAIR VALUE MEASUREMENTS - CONTINUED**

	2023				Total Cost Basis
	Total Fair Value	Level 1	Level 2	Level 3	
Qualified Affordable					
Housing Project Escrow					
Cash Funds	\$ 8,074	\$ 8,074	\$ -	\$ -	\$ 8,074
Mutual Funds	128,024	128,024	-	-	134,122
Domestic Equities	87,142	87,142	-	-	62,694
International Equities	2,702	2,702	-	-	2,647
Total Qualified Affordable					
Housing Project Escrow	225,942	225,942	-	-	\$ 207,537
Beneficial Interest in					
Charitable Trusts					
Remainder Trusts	351,040	-	-	351,040	
Perpetual Trusts	855,585	-	855,585	-	
Total Charitable Trusts	1,206,625	-	855,585	351,040	
Total Assets	\$ 21,698,985	\$ 20,492,360	\$ 855,585	\$ 351,040	
	2022				Total Cost Basis
	Total Fair Value	Level 1	Level 2	Level 3	
Investments					
Cash Funds	\$ 2,448,596	\$ 2,448,596	\$ -	\$ -	\$ 2,448,596
Certificate of Deposit	722,541	722,541	-	-	747,000
U.S. Treasury Securities	4,278,257	4,278,257	-	-	4,437,926
U.S. Agency Securities	124,248	124,248	-	-	128,304
Mutual Funds	2,927,245	2,927,245	-	-	3,031,496
Corporate Bonds	835,979	835,979	-	-	899,173
Domestic Equities	5,687,056	5,687,056	-	-	5,498,216
International Equities	1,247,111	1,247,111	-	-	1,284,433
Total Investments	18,271,033	18,271,033	-	-	18,475,144

**MINISTRY OF CARING, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2023**

**NOTE 12: FAIR VALUE MEASUREMENTS - CONTINUED**

	2022				Total Cost Basis
	Total Fair Value	Level 1	Level 2	Level 3	
Qualified Affordable					
Housing Project Escrow					
Cash Funds	\$ 7,966	\$ 7,966	\$ -	\$ -	\$ 7,966
Mutual Funds	119,159	119,159	-	-	128,054
Domestic Equities	71,469	71,469	-	-	63,572
International Equities	2,376	2,376	-	-	2,487
Total Qualified Affordable					
Housing Project Escrow	200,970	200,970	-	-	\$ 202,079
Beneficial Interest in					
Charitable Trusts					
Remainder Trusts	308,629	-	-	308,629	
Perpetual Trusts	782,675	-	782,675	-	
Total Charitable Trusts	1,091,304	-	782,675	308,629	
Total Assets	\$ 19,563,307	\$ 18,472,003	\$ 782,675	\$ 308,629	

Fair value for the beneficial interest in perpetual trusts is determined based upon the underlying value of the trusts' assets and the Organization's percentage of interest in the trusts. Fair value for the beneficial interest in remainder trusts is determined based upon applicable discount rates, the estimated life expectancy of the beneficiaries, and the Organization's percentage of interest in the trusts.

**NOTE 13: ENDOWMENT**

The Organization's Endowment includes donor-restricted contributions to support the operations of the childcare programs, the Emmanuel Dining Room, and various capital projects. The Endowment also includes certain net assets without donor restrictions that have been designated for endowment by the Organization. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization retains in perpetuity (a) the original value of the initial gift amount donated to the fund (including promises to give net of discount and

**MINISTRY OF CARING, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2023**

**NOTE 13: ENDOWMENT - CONTINUED**

allowance for doubtful accounts), (b) the original value of subsequent gifts donated to the fund, and (c) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure in a manner consistent with the standard of prudence prescribed in UPMIFA. The donor-restricted endowment is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

The Endowment's net asset compositions by type for the years ended December 31 were as follows:

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>Board-Designated Endowment Funds</b>			
General Operations	\$ 15,591,702	\$ -	\$ 15,591,702
Capital Projects	168,577	3,750,628	3,919,205
<b>Total Board-Designated Endowment Funds</b>	<b>15,760,279</b>	<b>3,750,628</b>	<b>19,510,907</b>
<b>Donor-Restricted Endowment Funds</b>			
Investment Balances to be Held Indefinitely to Generate Income for the Emmanuel Dining Room	-	87,237	-
Accumulated Investment Income - Endowment Fund to Support Emmanuel Dining Room	-	240,831	-
Purpose Restricted - Child Care Program Operations	-	653,385	-
<b>Total Donor-Restricted Endowment Funds</b>	<b>-</b>	<b>981,453</b>	<b>981,453</b>
<b>Total Endowment Funds</b>	<b>\$ 15,760,279</b>	<b>\$ 4,732,081</b>	<b>\$ 20,492,360</b>

**MINISTRY OF CARING, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2023**

**NOTE 13: ENDOWMENT - CONTINUED**

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-Designated Endowment Funds			
General Operations	\$ 13,349,065	\$ -	\$ 13,349,065
Capital Projects	(65,683)	4,250,628	4,184,945
	<u>13,283,382</u>	<u>4,250,628</u>	<u>17,534,010</u>
Donor-Restricted Endowment Funds			
Investment Balances to be Held Indefinitely to Generate Income for the Emmanuel Dining Room	-	87,237	-
Accumulated Investment Income - Endowment Fund to Support Emmanuel Dining Room	-	196,209	-
Purpose Restricted - Child Care Program Operations	-	654,547	-
	<u>-</u>	<u>937,993</u>	<u>937,993</u>
Total Endowment Funds	<u>\$ 13,283,382</u>	<u>\$ 5,188,621</u>	<u>\$ 18,472,003</u>

Changes in the Endowment's net assets for the years ended December 31, 2023 and 2022, were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - January 1, 2022	\$ 15,369,407	\$ 5,477,964	\$ 20,847,371
Investment Return (Loss)			
Investment Income - Net of Fees	164,520	3,357	167,877
Net Gains (Losses) - Realized and Unrealized	(2,269,600)	(43,328)	(2,312,928)
	<u>(2,105,080)</u>	<u>(39,971)</u>	<u>(2,145,051)</u>
Contributions and Deposits into Endowment	100,325	-	100,325
Distribution of Endowment Assets	(81,270)	(249,372)	(330,642)
Endowment Net Assets - December 31, 2022	<u>13,283,382</u>	<u>5,188,621</u>	<u>18,472,003</u>

**MINISTRY OF CARING, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2023**

**NOTE 13: ENDOWMENT - CONTINUED**

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - January 1, 2023	\$ 13,283,382	\$ 5,188,621	\$ 18,472,003
Investment Return			
Investment Income - Net of Fees	360,544	5,210	365,754
Net Gains - Realized and Unrealized	2,102,161	39,412	2,141,573
Total Investment Return	2,462,705	44,622	2,507,327
Contributions and Deposits into Endowment	26,658	-	26,658
Distribution of Endowment Assets	(13,628)	(500,000)	(513,628)
Reclassifications - Net Assets Released from Restriction	1,162	(1,162)	-
Endowment Net Assets - December 31, 2023	\$ 15,760,279	\$ 4,732,081	\$ 20,492,360

**Investment Return Objectives, Risk Parameters, and Strategies** - The Organization has adopted investment and spending policies, approved by the Board of Directors, for the Endowment's assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long term. Accordingly, the investment process seeks to achieve an after-cost total rate of return, including investment income, as well as capital appreciation that exceeds distributions with acceptable levels of risk. Endowment assets are invested in the Organization's diversified investment portfolio. These investments are intended to result in a consistent protected rate of return that has sufficient liquidity to make distributions when needed, while growing the funds if possible. Investment risk is measured in terms of the total Endowment.

**Spending Policy** - The Organization's policy allows annual distributions in an amount equal to 4% of the rolling three-year average value. In establishing this policy, the Organization considered the long-term expected return on its investment assets and the nature and duration of the endowment funds. Effective January 1, 2021, the Organization's Board of Directors passed a resolution to temporarily suspend distributions from the endowment funds.

**Funds with Deficiencies** - From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles, deficiencies of this nature are to be reported in net assets with donor restrictions. There were no deficiencies in funds as of December 31, 2023 and 2022.

**MINISTRY OF CARING, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2023**

**NOTE 14: INVESTMENT IN QUALIFIED AFFORDABLE HOUSING PROJECT**

As disclosed in Note 2, the investment in Village of St. John, L.P. by the Organization's wholly owned subsidiary, Village of St. John, Inc., is accounted for under the equity method of accounting. Management analyzes this investment for potential impairment when events or changes in circumstances indicate that it is more likely than not that the carrying amount of the investment will not be realized. An impairment loss is measured if the carrying amount of the investment will not be realized. There were no impairment losses recognized for the years ended December 31, 2023 and 2022.

The carrying amount of investments accounted for using the equity method is as follows as of December 31:

	<u>2023</u>	<u>2022</u>
Ownership %	<u>0.01%</u>	<u>0.01%</u>
Carrying Amount of Investment	<u>\$ 8,323,298</u>	<u>\$ 8,323,298</u>
Income (Loss) from Investment	<u>\$ -</u>	<u>\$ (107)</u>

The Organization has not recognized affordable housing tax credits or other tax benefits/provisions from its investment in the qualified affordable housing project in its consolidated financial statements during the years ended December 31, 2023 and 2022.

The results of operations of the Organization's qualified affordable housing project investment accounted for by the equity method is as follows for the years ended December 31:

	<u>2023</u>	<u>2022</u>
Partnership Income (Loss) Investment in Qualified Affordable Housing Project	<u>\$ -</u>	<u>\$ (107)</u>
Change in Net Assets	<u>\$ -</u>	<u>\$ (107)</u>

**MINISTRY OF CARING, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2023**

**NOTE 14: INVESTMENT IN QUALIFIED AFFORDABLE HOUSING PROJECT - CONTINUED**

The financial position of the Organization's qualified affordable housing project investment accounted for by the equity method is as follows as of December 31:

	<u>2023</u>	<u>2022</u>
Investment in Qualified Affordable Housing Project	<u>\$ 8,323,298</u>	<u>\$ 8,323,298</u>
Total Assets	<u>\$ 8,323,298</u>	<u>\$ 8,323,298</u>
Total Liabilities	\$ -	\$ -
Total Net Assets	<u>8,323,298</u>	<u>8,323,298</u>
Total Liabilities and Net Assets	<u>\$ 8,323,298</u>	<u>\$ 8,323,298</u>

**NOTE 15: PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following as of December 31:

	<u>2023</u>	<u>2022</u>
Land	\$ 976,782	\$ 976,782
Building and Improvements	34,051,201	29,513,946
Construction in Progress	951,988	4,251,685
Furniture and Equipment	4,765,528	4,628,047
Automobiles	<u>682,848</u>	<u>682,848</u>
	41,428,347	40,053,308
Accumulated Depreciation	<u>23,021,080</u>	<u>21,821,477</u>
Property and Equipment - Net	<u>\$ 18,407,267</u>	<u>\$ 18,231,831</u>



**MINISTRY OF CARING, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2023**

**NOTE 16: BENEFICIAL INTERESTS IN CHARITABLE TRUSTS**

The Organization has known remainder interests in two charitable remainder unitrusts. For the years ended December 31, 2023 and 2022, the Organization's beneficial interest in these split-interest agreements increased (decreased) by \$42,411 and (\$85,799), respectively, which represented a change in the value of trust assets. As of December 31, 2023 and 2022, the Organization's estimated present value interest in these trusts was \$351,040 and \$308,629, respectively.

The Organization has a beneficial interest in a charitable perpetual trust. Distributions from the perpetual trust, reported as income distributed from perpetual trust in the consolidated statements of activities, were \$15,750 and \$25,385 during the years ended December 31, 2023 and 2022, respectively. Included in the consolidated statements of activities is an increase (decrease) in the Organization's beneficial interest in the trust of \$72,910 and (\$208,514) for the years ended December 31, 2023 and 2022, based on changes in value of trust assets. The Organization's beneficial interest in the perpetual trust included in the consolidated statements of financial position as of December 31, 2023 and 2022, was \$855,585 and \$782,675, respectively.

**NOTE 17: LOAN ORIGINATION COSTS**

Loan origination costs represent costs associated with obtaining financing. The intangible asset has an estimated useful life of 40 years and is amortized in accordance with Note 2. As of December 31, 2023 and 2022, loan origination costs were carried at \$2,654 and \$2,893, respectively, net of accumulated amortization of \$6,927 and \$6,688, respectively.

**NOTE 18: LINE OF CREDIT**

The Organization has a line of credit through a financial institution secured by investment accounts held with the financial institution. Interest is calculated using the monthly London Interbank Offered Rate (LIBOR). The available credit is re-evaluated monthly and is based on the market value of the pledged collateral. As of December 31, 2023, the estimated market value of the Organization's investments pledged as collateral was \$8,493,126 and the available line of credit was \$6,380,747. As of December 31, 2023 and 2022, there was no outstanding balance.

**NOTE 19: NOTE PAYABLE**

The Organization has a note payable to a financial institution in the amount of \$7,479 and \$11,863 as of December 31, 2023 and 2022, respectively. Interest on the note payable is fixed at 1.90%. Payments are due in monthly installments of \$382 through September 2025.

**MINISTRY OF CARING, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2023**

**NOTE 19: NOTE PAYABLE - CONTINUED**

Future maturities of this note payable as of December 31, 2023, are as follows:

2024	\$	4,480
2025		<u>2,999</u>
	\$	<u><u>7,479</u></u>

**NOTE 20: MORTGAGE DEBT PAYABLE**

***DSHA (St. Francis Holistic Housing)*** - The Organization has an interest-free deferred mortgage payable in the amount of \$344,446 to DSHA. Loan proceeds were utilized for the acquisition and rehabilitation of two existing properties for the St. Francis Holistic Housing Program located on Spruce and Jackson Streets. Principal payments are currently deferred. The mortgage payable matures in January 2035 and may be extended for successive five-year periods at the approval of the lender. Future principal payments will be determined after the project generates operating surpluses.

***DSHA (Mary Mother of Hope House I)*** - The Organization has an interest-free deferred mortgage payable in the amount of \$600,000 to DSHA. Loan proceeds were utilized for the renovation and expansion of the Organization's Mary Mother of Hope House I program located at 1103 W. 8th Street and to initially fund an Operating Deficit Reserve Account. Principal payments are currently deferred. The mortgage payable matures in February 2041 and may be extended for successive five-year periods at the approval of the lender. Future principal payments will be determined after the project generates operating surpluses.

***DSHA (House of Joseph Holistic Housing)*** - During the year ended December 31, 2021, the Organization entered into an agreement with DSHA for a construction loan totaling \$285,912 through the Housing Development Fund (HDF). Proceeds from this loan were used to finance the renovation of a seven-unit apartment building located at 704 West Street. The construction loan bears interest of 3% per annum and is payable on the first day of each month following the first advance of the principal. The term of this loan will not exceed 18 months (construction period). After the construction period, the loan will convert to deferred permanent financing and bear interest at 1% per annum for a term of 30 years. The outstanding loan balance was \$214,597 and \$74,741, as of December 31, 2023 and 2022, respectively.

Subsequent to the year ended December 31, 2023, the Organization received additional loan proceeds of \$71,315. The entire outstanding loan balance of \$285,912 was fully satisfied and consolidated into the National Housing Trust Fund loan, details of which are provided in the subsequent paragraphs.

**MINISTRY OF CARING, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2023**

**NOTE 20: MORTGAGE DEBT PAYABLE - CONTINUED**

***DSHA (House of Joseph Holistic Housing)*** - During the year ended December 31, 2021, the Organization entered into an agreement with DSHA for a non-interest-bearing construction loan totaling \$500,000 through the National Housing Trust Fund (NHTF). Proceeds from this loan were used to finance the renovation of a seven-unit apartment building located at 704 West Street. The term of this loan will not exceed 18 months (construction period). After the construction period, the loan will convert to deferred permanent financing and bear interest at 1% per annum for a term of 30 years. The outstanding loan balance was \$500,000, as of December 31, 2023 and 2022, respectively.

On April 18, 2024, the NHTF construction loan converted to permanent financing. As mentioned above, the outstanding balance of the HDF construction loan of \$285,912 was consolidated into this loan, resulting in a total permanent financing loan amount of \$782,912. The permanent financing loan bears interest of 1% per annum and matures on April 18, 2054. Principal and interest payments are deferred until the maturity date.

***Bank Debt (Administrative Building)*** - On March 28, 2016, the Organization entered into a mortgage payable with a financial institution for \$500,000. Loan proceeds were used to finance the renovations of the Organization's new administration building in Wilmington, Delaware. The mortgage requires 10 annual payments of principal and interest in the amount of \$60,466 beginning May 1, 2017 through May 1, 2026. Interest on the mortgage is fixed at 3.50%. The outstanding balance on the mortgage payable as of December 31, 2023 and 2022, was \$169,097 and \$221,776, respectively. The mortgage is secured by property located at 115 E. 14th Street in Wilmington, Delaware.

Future maturities of mortgages payable as of December 31, 2023, are as follows:

2024	\$	54,592
2025		56,503
2026		58,002
Thereafter		<u>1,659,043</u>
	\$	<u><u>1,828,140</u></u>

***DSHA (House of Joseph Holistic Housing)*** - On April 18, 2024, the Organization entered into a loan agreement with DSHA through the Market Pressure Relief Fund (MPRF) for a total amount of \$40,034. The purpose of this loan is to finance the renovation of a seven-unit apartment building located at 704 West Street. The loan bears interest of 1% per annum and matures on April 18, 2054. Principal and interest payments are deferred until the maturity date. Additionally, if the Organization operates the housing development in compliance with the applicable affordability restrictions for a period of ten years, a prorated portion of the outstanding principal of the MPRF loan will be forgiven on each anniversary date of the forgiveness effective date (April 18, 2044) until the maturity date.

**MINISTRY OF CARING, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2023**

**NOTE 21: COMMITMENTS AND CONTINGENCIES**

In the normal course of business, there are various commitments and contingencies outstanding which are not reflected in these consolidated financial statements. In the opinion of management, the outcome of such events, if any, will not have a material effect on the Organization's consolidated financial statements.

**NOTE 22: PENSION PLAN**

The Organization sponsors a defined contribution plan for the exclusive benefit of eligible lay employees. A lay employee is eligible for participation upon completion of one year of service and attaining the age of 21. Employer contributions to the plan are funded monthly based on 5% of the participant's compensation as of December 31, 2023 and 2022. The plan provides for full vesting after five years of service. The account value of contributions is also fully vested when an employee reaches the age of 65, becomes totally and permanently disabled, or dies. In regard to religious employees, the Organization has separate letters of agreement with the various religious orders that provide for annual retirement payments directly to their respective religious communities. The amount of this contribution is specified by the agreements in force with the various religious orders. Pension plan expense for lay and religious employees was \$96,885 and \$21,924, respectively, for the year ended December 31, 2023, and \$105,838 and \$24,566, respectively, for the year ended December 31, 2022.

**NOTE 23: RELATED-PARTY TRANSACTIONS**

Board members and/or employees of the Organization serve as board members and/or employees at the related parties and sponsored organizations of Sacred Heart Village I, Inc., Sacred Heart Village II, Inc., Sacred Heart Housing, Inc., and Mother Teresa House, Inc.

The Organization receives revenue for providing administrative services and reimbursement for paying expenses on behalf of Sacred Heart Village I, Inc., Sacred Heart Village II, Inc., and Mother Theresa House, Inc. For the years ended December 31, 2023 and 2022, revenue from administrative services on behalf of these entities totaled \$76,884.

In the past, the Organization advanced funds to Sacred Heart Village I, Inc. In 2004, the Organization fully reserved, as uncollectible, a receivable from Sacred Heart Village I, Inc. in the amount of \$160,095, which resulted from prior advances. As of December 31, 2023 and 2022, the receivable from that advance remains fully reserved.

In the past, the Organization advanced funds to Sacred Heart Village II, Inc. In 2020, the Organization fully reserved, as uncollectible, a receivable from Sacred Heart Village II, Inc. in the amount of \$195,000, which resulted from prior advances. As of December 31, 2023 and 2022, the receivable from that advance remains fully reserved.

**MINISTRY OF CARING, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2023**

**NOTE 23: RELATED-PARTY TRANSACTIONS - CONTINUED**

The Organization occasionally pays expenses on behalf of affiliated entities. These amounts are generally reimbursed to the Organization in a short period of time. Amounts remaining unreimbursed are included in dues from affiliated organizations in the consolidated statements of financial position. Amounts due to or from affiliated organizations also arise from advances, payments made or received on behalf of other organizations, and services provided between organizations.

Due to and due from affiliated organizations consisted of the following:

	<u>2023</u>	<u>2022</u>
Due from Affiliated Organizations		
Sacred Heart Village I, Inc.	\$ 123,520	\$ 52,670
Sacred Heart Village I, Inc. - Advance (Net of \$160,095 Allowance)	-	-
Sacred Heart Housing, Inc.	105,636	104,176
Sacred Heart Oratory	12,330	6,868
Village of St. John, L.P.	266,434	284,527
Sacred Heart Village II, Inc.	208,197	166,181
Sacred Heart Village II, Inc. - Advance (Net of \$195,000 Allowance)	-	-
Mother Teresa House, Inc.	16,047	19,847
Villa Maria	<u>703,448</u>	<u>322,044</u>
Total Due from Affiliated Organizations	<u>1,435,612</u>	<u>956,313</u>
Due to Affiliated Organizations		
Sacred Heart Housing, Inc.	36,396	36,396
Sacred Heart Village I, Inc.	-	2,000
Village of St. John, L.P.	<u>1,485</u>	<u>1,485</u>
Total Due to Affiliated Organizations	<u>37,881</u>	<u>39,881</u>
Net Due from (to) Affiliated Organizations	<u>\$ 1,397,731</u>	<u>\$ 916,432</u>

**NOTE 24: LEASE AGREEMENTS AS LESSEE**

The Organization leases copier equipment under an agreement that is classified as a finance lease. The lease expires in June 2028, with monthly required payments totaling \$303.

**MINISTRY OF CARING, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2023**

**NOTE 24: LEASE AGREEMENTS AS LESSEE - CONTINUED**

The Organization leases office equipment and a parking lot for various terms under agreements that are classified as operating leases. The leases expire on various dates through October 2026.

As of December 31, 2023, future minimum lease payments under noncancelable leases with terms greater than one year are as follows:

	Operating Leases	Finance Leases
2024	\$ 67,812	\$ 3,636
2025	57,330	3,636
2026	22,500	3,636
2027	-	3,636
2028	-	1,818
Total Future Minimum Lease Payments	147,642	16,362
Less: Amount Representing Imputed Interest	1,385	1,884
Present Value of Future Minimum Lease Payments	146,257	14,478
Less: Current Maturities	66,841	2,918
Lease Obligations - Net of Current Maturities	<u>\$ 79,416</u>	<u>\$ 11,560</u>

The following represents lease cost for the years ended December 31:

	2023	2022
Finance Lease Cost		
Amortization of Right-of-Use Assets	\$ 2,367	\$ -
Interest on Lease Liability	637	-
Total Finance Lease Cost	3,004	-
Operating Lease Cost	66,540	68,356
Total Lease Cost	<u>\$ 69,544</u>	<u>\$ 68,356</u>

**MINISTRY OF CARING, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2023**

**NOTE 24: LEASE AGREEMENTS AS LESSEE - CONTINUED**

The following are required lease disclosures as of and for the years ended December 31:

	<u>2023</u>	<u>2022</u>
Cash Paid for Amounts in the Measurement of Lease Liabilities		
Operating Cash Flows for Operating Leases	\$ 66,540	\$ 68,356
Operating Cash Flows for Finance Leases	637	-
Finance Cash Flows from Finance Leases	<u>2,090</u>	<u>-</u>
 Total Cash Paid for Amounts in the Measurement of Lease Liabilities	 <u>\$ 69,267</u>	 <u>\$ 68,356</u>
 Right-of-Use Asset Obtained in Exchange for Finance Lease Liability	 <u>\$ 16,568</u>	 <u>\$ -</u>
 Right-of-Use Asset Obtained in Exchange for Operating Lease Liability	 <u>\$ -</u>	 <u>\$ 274,364</u>
 Weighted-Average Remaining Lease Term - Finance Leases	4.50 Years	n/a
 Weighted-Average Remaining Lease Term - Operating Leases	2.32 Years	3.28 Years
 Weighted-Average Discount Rate - Finance Leases	5.46%	n/a
 Weighted-Average Discount Rate - Operating Leases	0.86%	1.24%

The weighted-average discount rate is based on the discount rate implicit in the lease. If the implicit rate is not readily determinable from the lease, the Organization estimates an applicable incremental borrowing rate based on information available at the commencement date of the lease agreement.

The Organization has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for the leases. Lease payments for short-term leases are recognized on straight-line basis.

The Organization elected the practical expedient to not separate lease and non-lease components.

**MINISTRY OF CARING, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2023**

**NOTE 25: FUNCTIONALIZED EXPENSES**

The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation, which is allocated on a square footage basis, insurance, which is allocated on the basis of the underlying building values, as well as salaries, employee benefits, and payroll taxes, which are allocated on the basis of estimates of time and effort.



**SINGLE AUDIT**



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***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  
Ministry of Caring, Inc.

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 consolidated financial statements of Ministry of Caring, Inc. (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated September 6, 2024.

***Report on Internal Control over Financial Reporting***

In planning and performing our audit of the consolidated financial statements, we considered Ministry of Caring, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated 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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control 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 or significant deficiencies may exist that were not identified.

To the Board of Directors  
Ministry of Caring, Inc.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Ministry of Caring, Inc.'s consolidated financial statements are free from 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 consolidated financial statements. 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 purpose 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 Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Belfint, Lyons & Shuman, P.A.*

September 6, 2024

Wilmington, Delaware



***Independent Auditor's Report on Compliance for Each Major Program  
and on Internal Control over Compliance Required by the Uniform Guidance***

To the Board of Directors  
Ministry of Caring, Inc.

***Report on Compliance for Each Major Federal Program***

*Opinion on Each Major Federal Program*

We have audited Ministry of Caring, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Ministry of Caring, Inc.'s major federal programs for the year ended December 31, 2023. Ministry of Caring, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Ministry of Caring, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

*Basis for Opinion on Each Major Federal Program*

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 *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). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of Ministry of Caring, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Ministry of Caring, Inc.'s compliance with the compliance requirements referred to above.

To the Board of Directors  
Ministry of Caring, Inc.

*Responsibilities of Management for Compliance*

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Ministry of Caring, Inc.'s federal programs.

*Auditor's Responsibilities for the Audit of Compliance*

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Ministry of Caring, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Ministry of Caring, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Ministry of Caring, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Ministry of Caring, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Ministry of Caring, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

To the Board of Directors  
Ministry of Caring, Inc.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2023-001. Our opinion on each major federal program is not modified with respect to this matter.

*Government Auditing Standards* requires the auditor to perform limited procedures on Ministry of Caring, Inc.'s response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Ministry of Caring, Inc.'s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### ***Report on Internal Control over Compliance***

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

*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 a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

To the Board of Directors  
Ministry of Caring, Inc.

*Government Auditing Standards* requires the auditor to perform limited procedures on Ministry of Caring, Inc.'s response to the internal control over compliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Ministry of Caring, Inc.'s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

*Belfint, Lyons & Shuman, P.A.*

September 6, 2024

Wilmington, Delaware

**MINISTRY OF CARING, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED DECEMBER 31, 2023**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Assistance Listing Number</b>	<b>Expenditures</b>	<b>Expenditures to Subrecipients</b>
<b>Department of Agriculture</b>			
Delaware - Department of Education Child and Adult Care Food Program	10.558	\$ 160,329	\$ -
<b>Department of Housing and Urban Development</b>			
City of Wilmington Community Development Block Grants/Entitlement Grants	14.218	5,209	-
City of Wilmington COVID-19 Emergency Solutions Grants	14.231	105,000	-
Emergency Solutions Grants	14.231	2,304	-
New Castle County Emergency Solutions Grants	14.231	25,000	-
		132,304	-
Direct Award Housing Opportunities for Persons with AIDS	14.241	228,441	-
City of Wilmington COVID-19 Housing Opportunities for Persons with AIDS	14.241	65,836	-
Housing Opportunities for Persons with AIDS	14.241	123,692	-
		417,969	-
Direct Award Continuum of Care	14.267	690,804	-
Delaware State Housing Authority Housing Trust Fund	14.275	500,000	-
<b>Department of Treasury</b>			
State of Delaware COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	125,000	-
<b>Department of Health and Human Services</b>			
First State Community Action Agency Community Services Block Grant	93.569	175,273	-
Delaware State Housing Authority COVID-19 Elder Abuse Prevention Interventions Program	93.747	20,000	-
<b>Corporation for National and Community Service</b>			
Delaware - Department of Health and Social Services AmeriCorps	94.006	43,718	-



**MINISTRY OF CARING, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED**  
**YEAR ENDED DECEMBER 31, 2023**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Assistance Listing Number</b>	<b>Expenditures</b>	<b>Expenditures to Subrecipients</b>
<b>Department of Homeland Security</b>			
United Way of Delaware			
COVID-19 Emergency Food and Shelter National Board Program	97.024	\$ 56,766	\$ -
Emergency Food and Shelter National Board Program	97.024	<u>72,617</u>	<u>-</u>
		<u>129,383</u>	<u>-</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>		<u><u>\$ 2,399,989</u></u>	<u><u>\$ -</u></u>

**MINISTRY OF CARING, INC.**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**DECEMBER 31, 2023**

**NOTE 1: BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of Ministry of Caring, Inc. under programs of the federal government for the year ended December 31, 2023. The information in this schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the activities of the operations of Ministry of Caring, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Ministry of Caring, Inc.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Ministry of Caring, Inc. has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE 3: LOANS PAYABLE OUTSTANDING**

The Organization had the following loan payable balance outstanding as of December 31, 2023, that has continuing compliance requirements, which is included in the Schedule of Expenditures of Federal Awards:

	Beginning Balance	Advances	Repayments	Ending Balance
DSHA - 14.275 Housing Trust Fund Loan	\$ 500,000	\$ -	\$ -	\$ 500,000

**MINISTRY OF CARING, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**DECEMBER 31, 2023**

**I. SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Type of Auditor's Report Issued: **Unmodified**

Internal Control Over Financial Reporting:

- Material Weakness(es) Identified?  Yes  No
- Significant Deficiencies Identified that are Not Considered to be Material Weaknesses?  Yes  No

Noncompliance Material to Financial Statements Noted?  Yes  No

**Federal Awards**

Internal Control Over Major Programs:

- Material Weakness(es) Identified?  Yes  No
- Significant Deficiencies Identified that are not Considered to be Material Weaknesses?  Yes  No

Type of Auditor's Report Issued on Compliance for Major Programs: **Unmodified**

Any Audit Findings Disclosed that are Required to be Reported in Accordance with 2 CFR Section 200.516(a)?  Yes  No

Identification of Major Programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program</u>
14.267	Continuum of Care
Dollar Threshold Used to Distinguish Between Type A and Type B Programs:	\$ 750,000
Auditee Qualified as Low-Risk Auditee?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**MINISTRY OF CARING, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED**  
**DECEMBER 31, 2023**

**II. Financial Statement Findings**

There were no current year financial statement findings.

**III. Federal Award Findings and Questioned Costs**

**Finding Reference Number: 2023-001**

**Type of Finding: Noncompliance and Significant Deficiency in Internal Control over Compliance**

**Major Program: 14.267 - Continuum of Care (Grantor - Department of Housing and Urban Development)**

**Compliance Requirement: Allowable Costs/Cost Principles**

*Criteria:* The requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, (Uniform Guidance), Subpart E, *Cost Principles*, include the following:

- The total cost of a federal award is the sum of the allowable direct and allocable indirect costs less any applicable credits.
- A cost is allocable to a particular federal award if the goods or services involved are chargeable or assignable to that federal award or the cost objective in accordance with the relative benefits received.
- Indirect Facilities and Administrative Costs are those costs incurred for a common purpose benefiting more than one cost objective, and not readily assignable to the cost objectives specifically benefited. Indirect costs should be allocated equitably to all programs and cost centers of an organization.
- A Direct Allocation Method for allocating indirect costs is acceptable provided each joint cost is prorated using a basis that accurately measures the benefits provided to each federal award and other activity of an entity. The basis must be established in accordance with reasonable criteria and supported by current data.
- An organization should have appropriate internal controls in place to ensure the compliance requirements indicated above are met.

**MINISTRY OF CARING, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED**  
**DECEMBER 31, 2023**

**III. Federal Award Findings and Questioned Costs - Continued**

**Finding Reference Number: 2023-001 - Continued**

**Condition:** During the year ended December 31, 2023, the Organization had HUD Continuum of Care grant contracts for eight of its programs. These contracts are funded on the basis of cost reimbursement. The Organization prepares monthly schedules identifying allowable direct and allocable indirect costs incurred during the month and submits to HUD for reimbursement based on the costs identified on these schedules. Our audit testing revealed that the April 2023 St. Francis Holistic Housing reimbursement included an overallocation of salary costs. Specifically, 100% of a certain employee's salary for the month of April 2023 was reimbursed, whereas only 25% of their total salary should have been based on their actual time spent on that program.

**Cause:** The primary cause for the finding was human error in preparing the schedule of costs that was submitted for reimbursement.

**Effect:** The April 2023 St. Francis Holistic Housing request for reimbursement exceeded the allowable amounts based on the provision of the Uniform Guidance and the underlying contract with HUD.

**Recommendation:** We recommend the Organization implement procedures to ensure the proper amounts of eligible costs are submitted for reimbursement.

**MINISTRY OF CARING, INC.**  
**CORRECTIVE ACTION PLAN**  
**DECEMBER 31, 2023**

**Finding Reference Number: 2023-001**

**Major Program: 14.267 - Continuum of Care (Grantor - Department of Housing and Urban Development)**

**Criteria:** The requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, (Uniform Guidance), Subpart E, *Cost Principles*, include the following:

- The total cost of a federal award is the sum of the allowable direct and allocable indirect costs less any applicable credits.
- A cost is allocable to a particular federal award if the goods or services involved are chargeable or assignable to that federal award or the cost objective in accordance with the relative benefits received.
- Indirect Facilities and Administrative Costs are those costs incurred for a common purpose benefiting more than one cost objective, and not readily assignable to the cost objectives specifically benefited. Indirect costs should be allocated equitably to all programs and cost centers of an organization.
- A Direct Allocation Method for allocating indirect costs is acceptable provided each joint cost is prorated using a basis that accurately measures the benefits provided to each federal award and other activity of an entity. The basis must be established in accordance with reasonable criteria and supported by current data.
- An organization should have appropriate internal controls in place to ensure the compliance requirements indicated above are met.

**Condition:** During the year ended December 31, 2023, the Organization had HUD Continuum of Care grant contracts for eight of its programs. These contracts are funded on the basis of cost reimbursement. The Organization prepares monthly schedules identifying allowable direct and allocable indirect costs incurred during the month and submits to HUD for reimbursement based on the costs identified on these schedules. Our audit testing revealed that the April 2023 St. Francis Holistic Housing reimbursement included an overallocation of salary costs. Specifically, 100% of a certain employee's salary for the month of April 2023 was reimbursed, whereas only 25% of their total salary should have been based on their actual time spent on that program.

**MINISTRY OF CARING, INC.**  
**CORRECTIVE ACTION PLAN - CONTINUED**  
**DECEMBER 31, 2023**

**Finding Reference Number: 2023-001 - Continued**

*Corrective Action Plan:* In 2023 Grant Accounting implemented the use of labor allocation surveys to ensure that labor costs allocated to programs funded by HUD COC grants provided benefits to those programs. The labor charged to grants is tracked on a spreadsheet Labor Allocation Control. That file listed the overallocation by \$792.31 of labor expenses April 2023. The procedure to improve internal control is to check that allocated labor grant expense agrees with the Paycom Labor Distribution Report, before submitting grant draw vouchers.

*Contact Person Responsible for Corrective Action:* Daniel Habbart, Controller

*Anticipated Completion Date of Corrective Action:* August 12, 2024

**MINISTRY OF CARING, INC.**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**DECEMBER 31, 2023**

**I. Financial Statement Findings**

*No Prior Year Findings*

**II. Federal Award Findings and Questioned Costs**

**Finding Reference Number: 2022-001**

**Continuum of Care - ALN 14.267**

*Condition:* Our testing included a sample of 11 tenants from seven different programs. Audit procedures determined one instance where a tenant's file from Nazareth House Holistic Housing did not contain documentation of the annual rent calculation to support the occupancy charge on file.

*Status:* No similar findings were identified in the current year audit.

**Finding Reference Number: 2022-002**

**Continuum of Care - ALN 14.267**

*Condition:*

- During the year ended December 31, 2022, the Organization had HUD Continuum of Care grant contracts for eight of its programs. These contracts are funded on the basis of cost reimbursement. The Organization prepares monthly schedules identifying allowable direct and allocable indirect costs incurred during the month and submits to HUD on a monthly basis based upon the reimbursable costs identified on these schedules. The Organization includes facilities and maintenance costs as allocable indirect costs in these monthly reimbursement schedules. The Organization allocates these indirect facility and maintenance costs based on a calculation that includes the total square footage of the building space occupied by the program, the number of clients served by the program on a monthly basis, and a program's classification as residential or nonresidential.
- Prior to the commencement of the audit, the Organization alerted us that an error was made in the monthly spreadsheet that allocated the indirect facility maintenance costs to the various programs, and as such, the Organization submitted reimbursement requests for facilities and maintenance costs of \$29,630 in excess of actual costs allocable to the programs. The Organization's detective internal control process identified this error. The Organization has already corrected this error by reducing their January and February 2023 reimbursement requests by \$29,630.



**MINISTRY OF CARING, INC.**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS - CONTINUED**  
**DECEMBER 31, 2023**

**II. Federal Award Findings and Questioned Costs - Continued**

**Finding Reference Number: 2022-002 - Continued**

**Continuum of Care - ALN 14.267**

***Condition - Continued:***

- Our audit testing revealed that the February 2022 monthly reimbursement schedule included \$41,003 of construction costs related to the House of Joseph Holistic Housing Program. This does not qualify as an allowable cost under the three eligible cost categories included in the underlying HUD grant contract. After this was brought to the attention of the finance office, the Organization was able to identify additional operating costs of \$41,003 during the same contract period that had not been included in previous reimbursement requests.
  
- Part of the Organization's internal control process over this compliance requirement includes the review and approval of each monthly reimbursement schedule. Our audit testing revealed that this internal control was not implemented for the majority of the monthly reimbursement schedules during 2022. While the schedules had the signature of the preparer, most did not contain the approval signature of the reviewer.

***Status:*** No similar findings were identified in the current year audit that related to unallowable facilities and maintenance costs or construction costs. Additionally, BLS observed that, following the issuance of our prior year audit finding, reimbursement schedules for subsequent months have been properly reviewed and approved.

**SUPPLEMENTARY INFORMATION**

**MARY MOTHER OF HOPE HOUSE I FUND**



BELFINT • LYONS • SHUMAN  
Certified Public Accountants

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***Independent Auditor's Report on Supplementary Information Required by DSHA***

To the Board of Directors  
Ministry of Caring, Inc.

We have audited the consolidated financial statements of Ministry of Caring, Inc. as of and for the years ended December 31, 2023 and 2022, and our report thereon dated September 6, 2024 which expressed an unmodified opinion on those consolidated financial statements, appears on page 1. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information required by DSHA for Mary Mother of Hope House I Fund is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

*Belfint, Lyons & Shuman, P.A.*

September 6, 2024  
Wilmington, Delaware

**MARY MOTHER OF HOPE HOUSE I FUND  
OF MINISTRY OF CARING, INC.  
DSHA PROJECT NO. DE-HDF-353-FY10-01  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2023**

<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 200
Grants Receivable	77,503
Prepaid Expenses	481
Escrow Accounts	75,029
Replacement Reserve	70,733
Operating Reserve	202,765
Due from Other Funds	100,446
Investments	325,482
Property and Equipment - Net	<u>57,003</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 909,642</u></u>
<b>LIABILITIES</b>	
Accounts Payable	\$ 48,982
Accrued Expenses	15,385
Notes Payable	<u>600,000</u>
<b>TOTAL LIABILITIES</b>	<u>664,367</u>
<b>NET ASSETS</b>	
Without Donor Restrictions	245,275
With Donor Restrictions	<u>-</u>
<b>TOTAL NET ASSETS</b>	<u>245,275</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 909,642</u></u>

## DSHA STATEMENT OF PROFIT AND LOSS

**Project Name:** Mary Mother of Hope House I Fund

**Project Number:** DE-HDF-353-FY10-01

**Year Ending:** 12/31/23

Part I	Description of Account	Amount	
RENTAL INCOME 5100	Rent Revenue - Gross Potential	5120	\$ -
	Tenant Assistance Payments	5121	-
	Rent Revenue - Stores and Commercial	5140	-
	Garage and Parking Space	5170	-
	Flexible Subsidy Revenue	5180	-
	Miscellaneous Rent Revenue	5190	-
	Excess Rent	5191	-
	Rent Revenue - Insurance	5192	-
	Special Claims Revenue	5193	-
	Retained Excess Income	5194	-
	Lease Revenue (Nursing Homes)	5195	-
	<b>Total Rent Revenue</b>		
VACANCIES 5200	Apartments	5220	-
	Stores and Commercial	5240	-
	Rental Concessions	5250	-
	Garage and Parking Space	5270	-
	Miscellaneous	5290	-
<b>Total Vacancies</b>			<b>\$ -</b>
<b>Net Rent Revenue (Rent Revenue Less Vacancies)</b>			<b>\$ -</b>
	Nursing Homes/Assisted Living/Board & Care/Other Elderly Care/Coop/and Other Revenue	5300	-
	Members Group Life Insurance Expense (Co-ops)	5320	-
FINANCIAL REVENUE 5400	Financial Revenue - Project Operations	5410	-
	Revenue from Investments - Residual Receipts	5430	527
	Revenue from Investments - Replacement Reserve	5440	507
	Expiration of Gift Donor Restrictions (Non-Profits)	5460	-
	Gifts (Non-Profits)	5470	22,703
	Revenue from Investments - Miscellaneous	5490	44,640
<b>Total Financial Revenue</b>			<b>\$ 68,377</b>
OTHER REVENUE 5900	Laundry and Vending Revenue	5910	-
	Tenant Charges (NSF and Late Charges)	5920	-
	Damages and Cleaning Fees	5930	-
	Forfeited Tenant Security Deposits	5940	-
	Interest Reduction Payments Revenue	5945	-
	Miscellaneous Revenue (Specify): Government Grants	5990	359,247
<b>Total Other Revenue</b>			<b>\$ 359,247</b>
<b>Total Revenue</b>			<b>\$ 427,624</b>
ADMINISTRATIVE EXPENSES 6200 6300	Conventions and Meetings	6203	-
	Management Consultants	6204	7,361
	Advertising and Marketing	6210	-
	Social Activity	6215	-
	Other Renting Expenses	6250	-
	Office Salaries	6310	219,664
	Office Expenses	6311	10,099
	Office of Model Apartment Rent	6312	-

**DSHA STATEMENT OF PROFIT AND LOSS - CONTINUED**

ADMINISTRATIVE EXPENSES 6200 6300 (Continued)	Management Fee	6320	\$ 1,004	
	Manager or Superintendent Salaries	6330	-	
	Administrative Rent Free Unit	6331	-	
	Legal Expenses - Project	6340	-	
	Auditing Expense - Project	6350	3,255	
	Bookkeeping Fees/Accounting Services	6351	-	
	Telephone and Answering Services	6360	5,330	
	Bad Debt Expense	6370	-	
	Miscellaneous Administrative Expenses	6390	-	
	<b>Total Administrative Expenses</b>			\$ 246,713
UTILITIES EXPENSE 6400	Fuel Oil/Coal	6420	2,214	
	Electricity (Lights and Misc. Power)	6450	10,594	
	Water	6451	-	
	Gas	6452	-	
	Sewer	6453	8,689	
<b>Total Utilities Expenses</b>			\$ 21,497	
OPERATING AND MAINTENANCE 6500	Janitor and Cleaning Payroll	6510	-	
	Janitorial Supplies	6515	11,269	
	Janitorial Cleaning Contracts	6517	-	
	Exterminating Contract/Payroll	6519	-	
	Exterminating Supplies	6520	-	
	Operating and Maintenance Rent Free Unit	6521	-	
	Garbage and Trash Removal	6525	-	
	Fire Safety/Equipment and Contract	6528	-	
	Security Payroll/Contract	6530	-	
	Security Rent Free Unit	6531	-	
	Grounds Payroll	6535	-	
	Grounds Supplies	6536	-	
	Grounds Contract	6537	-	
	Repairs Payroll	6540	23,800	
	Repairs Material	6541	10,392	
	Repairs Contracts	6542	6,987	
	Elevator Maintenance	6545	-	
	Heating/Cooling/Repairs and Maintenance	6546	-	
	Swimming Pool Maintenance/Contract	6547	-	
	Snow Removal	6548	-	
Decorating Payroll/Contract	6560	-		
Decorating Supplies	6561	-		
Vehicle and Maintenance Equipment Operation	6570	-		
Miscellaneous Operating and Maintenance Expense	6590	-		
<b>Total Operating and Maintenance Expense</b>			\$ 52,448	
TAXES AND INSURANCE 6700	Real Estate Taxes	6710	-	
	Payroll Taxes (FICA) (Project's Share)	6711	15,994	
	Property and Liability Insurance (Hazard)	6720	6,285	
	Fidelity Bond Insurance	6721	-	
	Workers' Compensation	6722	4,756	
	Health Insurance and Other Employee Benefits	6723	68,346	
	Miscellaneous Taxes, Licenses, Permits, and Insurance	6790	1,325	
	<b>Total Taxes and Insurance</b>			\$ 96,706
	<b>Total Operating Expenses</b>			\$ 417,364

**DSHA STATEMENT OF PROFIT AND LOSS - CONTINUED**

		<b>Net Operating Income</b>		
FINANCIAL EXPENSES 6800	Interest on Bonds Payable	6819	\$ -	
	Interest on Mortgage Payable	6820	-	
	Interest on Notes Payable (Long Term)	6830	-	
	Interest on Notes Payable (Short Term)	6840	-	
	Mortgage Insurance Premium/Service Charge	6850	-	
	Miscellaneous Financial Expenses	6890	-	
	<b>Total Financial Expenses</b>			
	Nursing Homes/Assisted Living/Board & Care/Other Elderly Care/Co-op/and Other Expenses	6900	19,368	\$ 19,368
	<b>Total Cost of Operations Before Depreciation</b>			\$ 436,732
	<b>Profit (Loss) Before Depreciation</b>			(9,108)
DEPRECIATION 6600	Depreciation Expenses	6600	18,471	
	Amortization Expense	6610	-	
	<b>Operating Profit or (Loss)</b>			\$ (27,579)
CORPORATE OR MORTGAGOR ENTITY EXPENSES 7100	Entity Revenue	7105	-	
	Officers' Salaries	7110	-	
	Legal Expenses	7120	-	
	Federal, State, and Other Income Taxes	7130	-	
	Interest Income	7140	-	
	Interest on Notes Payable	7141	-	
	Interest on Mortgage Payable	7142	-	
	Other Expenses	7190	-	
	<b>Net Entity Expenses</b>			\$ -
	<b>Profit or Loss (Net Income or Loss)</b>			\$ (27,579)
<b>Part II*</b>				
	1. Total principal payments required under the mortgage, even if payments under a Workout Agreement are less or more than those required under the mortgage.		\$ -	
	2. Replacement Reserve deposits required by the Regulatory Agreement or Amendments thereto, even if payments may be temporarily suspended or waived.		\$ 5,905	
	3. Replacement or Painting reserve releases which are included as expense items on this Profit and Loss Statement.		\$ -	
	4. Project Improvement Reserve Releases under the Flexible Subsidy Program that are included as expense items on this Profit and Loss Statement.		\$ -	

*\*Part II - Must be completed for all financial statements*

**MARY MOTHER OF HOPE HOUSE I FUND  
OF MINISTRY OF CARING, INC.  
DSHA DEVELOPMENT NO. DE-HDF-353-FY10-01  
STATEMENT OF CHANGES IN NET ASSETS  
YEAR ENDED DECEMBER 31, 2023**

<b>NET ASSETS WITHOUT DONOR RESTRICTIONS BALANCE</b> - Beginning of Year	\$	272,854
Change in Net Assets Without Donor Restrictions		<u>(27,579)</u>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS BALANCE</b> - End of Year	\$	<u><u>245,275</u></u>
<b>NET ASSETS WITH DONOR RESTRICTIONS BALANCE</b> - Beginning of Year	\$	-
Change in Net Assets With Donor Restrictions		<u>-</u>
<b>NET ASSETS WITH DONOR RESTRICTIONS BALANCE</b> - End of Year	\$	<u><u>-</u></u>



Delaware State Housing Authority  
**COMPUTATION OF SURPLUS CASH AND DISTRIBUTIONS**

Property Name	Fiscal Period Ending	DSHA/HDF Number
Mary Mother of Hope House I Fund	12/31/2023	DE-HDF-353-FY10-01

\*\*\*\*\*

**PART A. - COMPUTE SUPLUS CASH**

Section 1 - Cash

1. Cash	\$	200
2. Tenant Subsidy Vouchers due for Period Covered by Financial Statements	\$	-
3. Other (Describe) _____	\$	-
(A) Total Cash (Add Lines 1, 2, & 3)		\$ 200

Section 2 - Current Obligations

4. Accrued Mortgage Interest Payable	\$	-
5. Delinquent Mortgage Principal Payments	\$	-
6. Delinquent Deposits to Reserve for Replacements	\$	-
7. Accounts Payable (due within 30 days)	\$	48,982
8. Loans and Notes Payable (due within 30 days)	\$	-
9. Deficient Tax Insurance/Mortgage Insurance Escrow	\$	-
10. Accrued Expenses (not escrowed)	\$	15,385
11. Paid Rents	\$	-
12. Tenant Security Deposits Liability	\$	-
13. Other (Describe) _____	\$	-
(B) Total Liabilities		\$ 64,367
(C) Surplus Cash (Deficiency)		\$ (64,167)

Line (A) Minus Line (B)

\*\*\*\*\*

**PART B - COMPUTE OWNERS' DISTRIBUTIONS & REQUIRED HDF LOAN BALANCE REDUCTION**

		N/A
1. Surplus Cash		
2. a. Beginning Balance: Accrued Distributions from Prior Year(s) Unpaid	\$	-
Annual Distribution Earned During Fiscal Period Covered	\$	-
Annual Distribution Paid During Audit Year Against Audit Year	\$	(-)
Annual Distribution Paid During Audit Year Against Prior Year(s)	\$	(-)
b. Ending Balance: Distributions Unpaid From Audit Year and Prior Year(s) at Audit Year End (Amount Carried on Balance Sheet)	\$	-
3. Amount Available for Distribution (the Lessor of Line 1 or 2b)	\$	-
4. Amount due DSHA to be Applied to DSHA Permanent Loan (Line 1 minus Line 3)	\$	-

\*\*\*\*\*

Prepared By: \_\_\_\_\_ Name \_\_\_\_\_ Reviewed By: \_\_\_\_\_ Date \_\_\_\_\_

**SUPPLEMENTARY INFORMATION**

**ST. FRANCIS HOLISTIC HOUSING FUND**



BELFINT • LYONS • SHUMAN  
Certified Public Accountants

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*Independent Auditor's Report on Supplementary Information Required by DSHA*

To the Board of Directors  
Ministry of Caring, Inc.

We have audited the consolidated financial statements of Ministry of Caring, Inc. as of and for the years ended December 31, 2023 and 2022, and our report thereon dated September 6, 2024, which expressed an unmodified opinion on those consolidated financial statements, appears on page 1. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information required by DSHA for St. Francis Holistic Housing Fund is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

*Belfint, Lyons & Shuman, P.A.*

September 6, 2024  
Wilmington, Delaware

**ST. FRANCIS HOLISTIC HOUSING FUND  
OF MINISTRY OF CARING, INC.  
DSHA PROJECT NO. DE 26B93-0325  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2023**

**ASSETS**

Prepaid Expenses	\$ 171
Escrow Accounts	8,054
Replacement Reserve	128,799
Operating Reserve	16,426
Investments	193,399
Property and Equipment - Net	354,349
Loan Origination Costs - Net	<u>2,654</u>

**TOTAL ASSETS**

\$ 703,852

**LIABILITIES**

Accounts Payable	\$ 19,996
Accounts Payable - Due to Other Funds (Net)	689,327
Mortgage Payable - DSHA	<u>344,446</u>

**TOTAL LIABILITIES**

1,053,769

**NET DEFICIENCY IN ASSETS**

Without Donor Restrictions	<u>(349,917)</u>
----------------------------	------------------

**TOTAL LIABILITIES AND NET DEFICIENCY IN ASSETS**

\$ 703,852

## DSHA STATEMENT OF PROFIT AND LOSS

**Project Name:** St. Francis Holistic Housing Fund

**Project Number:** DE 26B93-0325

**Year Ending:** 12/31/23

Part I	Description of Account	Amount	
RENTAL INCOME 5100	Rent Revenue - Gross Potential	5120	\$ 2,895
	Tenant Assistance Payments	5121	-
	Rent Revenue - Stores and Commercial	5140	-
	Garage and Parking Space	5170	-
	Flexible Subsidy Revenue	5180	-
	Miscellaneous Rent Revenue	5190	-
	Excess Rent	5191	-
	Rent Revenue - Insurance	5192	-
	Special Claims Revenue	5193	-
	Retained Excess Income	5194	-
	Lease Revenue (Nursing Homes)	5195	-
	<b>Total Rent Revenue</b>		
VACANCIES 5200	Apartments	5220	-
	Stores and Commercial	5240	-
	Rental Concessions	5250	-
	Garage and Parking Space	5270	-
	Miscellaneous	5290	-
<b>Total Vacancies</b>			\$ -
	<b>Net Rent Revenue (Rent Revenue less Vacancies)</b>		\$ 2,895
FINANCIAL REVENUE 5400	Nursing Homes/Assisted Living/Board & Care/Other Elderly Care/Co-op/and Other Revenue	5300	-
	Members Group Life Insurance Expense (Co-ops)	5320	-
	Financial Revenue - Project Operations	5410	-
	Revenue from Investments - Residual Receipts	5430	61
	Revenue from Investments - Replacement Reserve	5440	969
	Expiration of Gift Donor Restrictions (Non-Profits)	5460	-
	Gifts (Non-Profits)	5470	250
	Revenue from Investments - Miscellaneous	5490	26,109
<b>Total Financial Revenue</b>			\$ 27,389
OTHER REVENUE 5900	Laundry and Vending Revenue	5910	-
	Tenant Charges (NSF and Late Charges)	5920	-
	Damages and Cleaning Fees	5930	-
	Forfeited Tenant Security Deposits	5940	-
	Interest Reduction Payments Revenue	5945	-
	Miscellaneous Revenue (Specify): Government Grants	5990	105,259
<b>Total Other Revenue</b>			\$ 105,259
	<b>Total Revenue</b>		\$ 135,543
ADMINISTRATIVE EXPENSES 6200 6300	Conventions and Meetings	6203	-
	Management Consultants	6204	829
	Advertising and Marketing	6210	-
	Social Activity	6215	-
	Other Renting Expenses	6250	-
	Office Salaries	6310	16,562
	Office Expenses	6311	-
	Office of Model Apartment Rent	6312	-

**DSHA STATEMENT OF PROFIT AND LOSS - CONTINUED**

ADMINISTRATIVE EXPENSES 6200 6300 (Continued)	Management Fee	6320	\$ 6,678	
	Manager or Superintendent Salaries	6330	-	
	Administrative Rent Free Unit	6331	-	
	Legal Expenses - Project	6340	-	
	Auditing Expense - Project	6350	3,255	
	Bookkeeping Fees/Accounting Services	6351	-	
	Telephone and Answering Services	6360	311	
	Bad Debt Expense	6370	-	
	Miscellaneous Administrative Expenses	6390	-	
	<b>Total Administrative Expenses</b>			\$ 27,635
UTILITIES EXPENSE 6400	Fuel Oil/Coal	6420	2,534	
	Electricity (Lights and Miscellaneous Power)	6450	5,450	
	Water	6451	-	
	Gas	6452	-	
	Sewer	6453	3,748	
	<b>Total Utilities Expenses</b>			\$ 11,732
OPERATING AND MAINTENANCE 6500	Janitor and Cleaning Payroll	6510	-	
	Janitorial Supplies	6515	-	
	Janitorial Cleaning Contracts	6517	-	
	Exterminating Contract/Payroll	6519	-	
	Exterminating Supplies	6520	-	
	Operating and Maintenance Rent Free Unit	6521	-	
	Garbage and Trash Removal	6525	-	
	Fire Safety/Equipment and Contract	6528	-	
	Security Payroll/Contract	6530	-	
	Security Rent Free Unit	6531	-	
	Grounds Payroll	6535	-	
	Grounds Supplies	6536	-	
	Grounds Contract	6537	-	
	Repairs Payroll	6540	28,870	
	Repairs Material	6541	17,457	
	Repairs Contracts	6542	1,325	
	Elevator Maintenance	6545	-	
	Heating/Cooling/Repairs and Maintenance	6546	-	
	Swimming Pool Maintenance/Contract	6547	-	
	Snow Removal	6548	-	
Decorating Payroll/Contract	6560	-		
Decorating Supplies	6561	-		
Vehicle and Maintenance Equipment Operation	6570	-		
Miscellaneous Operating and Maintenance Expense	6590	-		
<b>Total Operating and Maintenance Expense</b>			\$ 47,652	
TAXES AND INSURANCE 6700	Real Estate Taxes	6710	-	
	Payroll Taxes (FICA) (Project's Share)	6711	947	
	Property and Liability Insurance (Hazard)	6720	2,621	
	Fidelity Bond Insurance	6721	-	
	Workers' Compensation	6722	848	
	Health Insurance and other Employee Benefits	6723	-	
	Miscellaneous Taxes, Licenses, Permits, and Insurance	6790	-	
	<b>Total Taxes and Insurance</b>			\$ 4,416
	<b>Total Operating Expenses</b>			\$ 91,435

**DSHA STATEMENT OF PROFIT AND LOSS - CONTINUED**

<b>Net Operating Income</b>			
FINANCIAL EXPENSES 6800	Interest on Bonds Payable	6819	\$ -
	Interest on Mortgage Payable	6820	-
	Interest on Notes Payable (Long Term)	6830	-
	Interest on Notes Payable (Short Term)	6840	-
	Mortgage Insurance Premium/Service Charge	6850	-
	Miscellaneous Financial Expenses	6890	-
	<b>Total Financial Expenses</b>		\$ -
	Nursing Homes/Assisted Living/Board & Care/Other Elderly Care/Co-op/and Other Expenses	6900	12,910 \$ 12,910
	<b>Total Cost of Operations Before Depreciation</b>		\$ 104,345
	<b>Profit (Loss) Before Depreciation</b>		31,198
DEPRECIATION 6600	Depreciation Expenses	6600	35,993
	Amortization Expense	6610	239
	<b>Operating Profit or (Loss)</b>		\$ (5,034)
CORPORATE OR MORTGAGOR ENTITY EXPENSES 7100	Entity Revenue	7105	-
	Officers' Salaries	7110	-
	Legal Expenses	7120	-
	Federal, State, and Other Income Taxes	7130	-
	Interest Income	7140	-
	Interest on Notes Payable	7141	-
	Interest on Mortgage Payable	7142	-
	Other Expenses	7190	-
	<b>Net Entity Expenses</b>		\$ -
	<b>Profit or Loss (Net Income or Loss)</b>		\$ (5,034)
<b>Part II*</b>			
1. Total principal payments required under the mortgage, even if payments under a Workout Agreement are less or more than those required under the mortgage.			\$ -
2. Replacement Reserve deposits required by the Regulatory Agreement or Amendments thereto, even if payments may be temporarily suspended or waived.			\$ 3,115
3. Replacement or Painting reserve releases which are included as expense items on this Profit and Loss Statement.			\$ -
4. Project Improvement Reserve Releases under the Flexible Subsidy Program that are included as expense items on this Profit and Loss Statement.			\$ -

*\*Part II - Must be completed for all financial statements*

**ST. FRANCIS HOLISTIC HOUSING FUND  
OF MINISTRY OF CARING, INC.  
DSHA PROJECT NO. DE 26B93-0325  
STATEMENT OF CHANGES IN NET DEFICIENCY IN ASSETS  
YEAR ENDED DECEMBER 31, 2023**

<b>NET DEFICIENCY IN ASSETS WITHOUT DONOR</b>	
<b>RESTRICTIONS BALANCE - Beginning of Year</b>	\$ (344,883)
Change in Net Deficiency in Assets Without Donor Restrictions	<u>(5,034)</u>
<b>NET DEFICIENCY IN ASSETS WITHOUT DONOR</b>	
<b>RESTRICTIONS BALANCE - End of Year</b>	<u><u>\$ (349,917)</u></u>
<b>NET ASSETS WITH DONOR RESTRICTIONS BALANCE - Beginning of Year</b>	
Change in Net Assets With Donor Restrictions	<u>-</u>
<b>NET ASSETS WITH DONOR RESTRICTIONS BALANCE - End of Year</b>	<u><u>\$ -</u></u>



Delaware State Housing Authority  
**COMPUTATION OF SURPLUS CASH AND DISTRIBUTIONS**

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Property Name	Fiscal Period Ending	DSHA/HDF Number
St. Francis Holistic Housing Fund	12/31/2023	DE 26B93-0325

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**PART A. - COMPUTE SUPLUS CASH**

Section 1 - Cash

1. Cash	\$ -
2. Tenant Subsidy Vouchers due for Period Covered by Financial Statements	\$ -
3. Other (Describe) _____	\$ -
(A) Total Cash (Add Lines 1, 2, & 3)	\$ -

Section 2 - Current Obligations

4. Accrued Mortgage Interest Payable	\$ -
5. Delinquent Mortgage Principal Payments	\$ -
6. Delinquent Deposits to Reserve for Replacements	\$ -
7. Accounts Payable (due within 30 days)	\$ 709,323
8. Loans and Notes Payable (due within 30 days)	\$ -
9. Deficient Tax Insurance/Mortgage Insurance Escrow	\$ -
10. Accrued Expenses (not escrowed)	\$ -
11. Paid Rents	\$ -
12. Tenant Security Deposits Liability	\$ -
13. Other (Describe) _____	\$ -
(B) Total Liabilities	\$ 709,323
(C) Surplus Cash (Deficiency)	\$ (709,323)

Line (A) Minus Line (B)

\*\*\*\*\*

**PART B - COMPUTE OWNERS' DISTRIBUTIONS & REQUIRED HDF LOAN BALANCE REDUCTION**

1. Surplus Cash	N/A
2. a. Beginning Balance: Accrued Distributions from Prior Year(s) Unpaid	\$ -
Annual Distribution Earned During Fiscal Period Covered	\$ -
Annual Distribution Paid During Audit Year Against Audit Year	\$( )
Annual Distribution Paid During Audit Year Against Prior Year(s)	\$( )
b. Ending Balance: Distributions Unpaid From Audit Year and Prior Year(s) at Audit Year End (Amount Carried on Balance Sheet)	_____
3. Amount available for distribution (the Lessor of Line 1 or 2b)	\$ -
4. Amount due DSHA to be Applied to DSHA Permanent Loan (Line 1 minus Line 3)	\$ -

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Prepared By: \_\_\_\_\_ Reviewed By: \_\_\_\_\_  
Name Date

**SUPPLEMENTARY INFORMATION**

**EMMANUEL DINING ROOM FUND**



BELFINT • LYONS • SHUMAN  
Certified Public Accountants

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*Independent Auditor's Report on Supplementary Information Required  
by United Way of Delaware*

To the Board of Directors  
Ministry of Caring, Inc.

We have audited the consolidated financial statements of Ministry of Caring, Inc. as of and for the years ended December 31, 2023 and 2022, and our report thereon dated September 6, 2024, which expressed an unmodified opinion on those consolidated financial statements, appears on page 1. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information required by United Way of Delaware for Emmanuel Dining Room Fund is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

*Belfint, Lyons & Shuman, P.A.*

September 6, 2024  
Wilmington, Delaware

**EMMANUEL DINING ROOM FUND  
OF MINISTRY OF CARING, INC.  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2023**

<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 250
Grants Receivable	91,149
Prepaid Expenses	171
Investments	638,574
Property and Equipment - Net	149,639
Due from Other Funds	<u>545,512</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 1,425,295</u></u>
<b>LIABILITIES</b>	
Accounts Payable	\$ 136,668
Accrued Expenses	<u>26,567</u>
<b>TOTAL LIABILITIES</b>	<u>163,235</u>
<b>NET ASSETS</b>	
Without Donor Restrictions	449,818
With Donor Restrictions	<u>812,242</u>
<b>TOTAL NET ASSETS</b>	<u>1,262,060</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 1,425,295</u></u>

**EMMANUEL DINING ROOM FUND  
OF MINISTRY OF CARING, INC.  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2023**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUE AND OTHER SUPPORT</b>			
Contributions	\$ 196,376	\$ 768,484	964,860
Fundraising Income	-	145,612	145,612
Contributed Rent	63,000	-	63,000
United Way - Designation and Personal Giving	33,272	-	33,272
Government Grants	284,596	-	284,596
Interest and Dividends - Net of Fees	4,933	5,210	10,143
Net Gains on Investments	37,316	39,412	76,728
	<hr/>	<hr/>	<hr/>
Total Revenue	619,493	958,718	1,578,211
Net Assets Released from Restrictions	514,096	(514,096)	-
	<hr/>	<hr/>	<hr/>
<b>TOTAL REVENUE AND OTHER SUPPORT</b>	1,133,589	444,622	1,578,211
<b>EXPENSES</b>	997,628	-	997,628
	<hr/>	<hr/>	<hr/>
<b>CHANGE IN NET ASSETS BEFORE ASSISTANCE FROM (TO) OTHER FUNDS</b>	135,961	444,622	580,583
<b>ASSISTANCE FROM (TO) OTHER FUNDS</b>			
Assistance from (to) Other Funds - Net	90,216	-	90,216
	<hr/>	<hr/>	<hr/>
<b>CHANGE IN NET ASSETS</b>	226,177	444,622	670,799
<b>NET ASSETS - Beginning of Year</b>	223,641	367,620	591,261
	<hr/>	<hr/>	<hr/>
<b>NET ASSETS - End of Year</b>	<u>\$ 449,818</u>	<u>\$ 812,242</u>	<u>\$ 1,262,060</u>

**SUPPLEMENTARY INFORMATION**

**MINISTRY OF CARING GUILD**



BELFINT • LYONS • SHUMAN  
Certified Public Accountants

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*Independent Auditor's Report on Supplementary Information  
Ministry of Caring Guild*

To the Board of Directors  
Ministry of Caring, Inc.

We have audited the consolidated financial statements of Ministry of Caring, Inc. as of and for the years ended December 31, 2023 and 2022, and our report thereon dated September 6, 2024, which expressed an unmodified opinion on those consolidated financial statements, appears on page 1. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information for Ministry of Caring Guild is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

*Belfint, Lyons & Shuman, P.A.*

September 6, 2024  
Wilmington, Delaware

**MINISTRY OF CARING GUILD  
OF MINISTRY OF CARING, INC.  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2023 AND 2022**

	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 301,280	\$ 507,204
Due from Other Funds	58,353	-
<b>TOTAL ASSETS</b>	<b>\$ 359,633</b>	<b>\$ 507,204</b>
<b>LIABILITIES</b>		
Accounts Payable and Other Current Liabilities	\$ 11,450	\$ 8,426
Due to Other Funds	-	28,445
<b>TOTAL LIABILITIES</b>	11,450	36,871
<b>NET ASSETS</b>		
Without Donor Restrictions	348,183	470,333
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 359,633</b>	<b>\$ 507,204</b>



**MINISTRY OF CARING GUILD  
OF MINISTRY OF CARING, INC.  
STATEMENTS OF ACTIVITIES  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<b>2023</b>	<b>2022</b>
<b>REVENUE AND OTHER SUPPORT</b>		
Count Me In	\$ -	\$ 71,282
Raffle	49,080	56,575
EDR Auction	190,455	95,995
Eleganza Fashion Show	82,345	-
Jingle Bell Brunch	18,272	-
Recognition Dinner	7,150	7,350
Membership Income and Other Contributions	5,717	951
<b>TOTAL REVENUE AND OTHER SUPPORT</b>	<b>353,019</b>	<b>232,153</b>
<b>FUNDRAISING EXPENSES</b>		
Count Me In	-	91
Raffle	3,000	13,330
EDR Auction	20,532	20,200
Eleganza Fashion Show	23,701	-
Recognition Dinner	1,582	780
General Expenses	5,771	6,385
Contributions and Assistance to Ministry of Caring, Inc.	420,583	12,964
<b>TOTAL FUNDRAISING EXPENSES</b>	<b>475,169</b>	<b>53,750</b>
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<b>(122,150)</b>	<b>178,403</b>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS - Beginning of Year</b>	<b>470,333</b>	<b>291,930</b>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS - End of Year</b>	<b>\$ 348,183</b>	<b>\$ 470,333</b>