

GEORGETOWN CARING PLACE
dba THE CARING PLACE
AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED
JUNE 30, 2023
(with comparative totals for the year ended
June 30, 2022)

GEORGETOWN CARING PLACE
dba THE CARING PLACE

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Executive Committee of the
Georgetown Caring Place dba The Caring Place

Opinion

We have audited the accompanying financial statements of the Georgetown Caring Place dba The Caring Place (a non-profit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Georgetown Caring Place dba The Caring Place as of June 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 the Georgetown Caring Place dba The Caring Place (the Organization) 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.

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 the Organization'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 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, including omissions, 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, 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 the Organization'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 the Organization'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.

Report on Summarized Comparative Information

We have previously audited the Organization's June 30, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 21, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Faske Lay & Co., LLP.
Georgetown, Texas
October 19, 2023

GEORGETOWN CARING PLACE
dba THE CARING PLACE
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023
(With Comparative Totals for June 30, 2022)

	2023	2022
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 1,971,053	\$ 898,740
Certificates of deposit	516,786	478,099
Grants Receivable	216,000	-
Inventory	115,739	80,185
Prepaid expenses	14,706	19,538
Total Current Assets	2,834,284	1,476,562
Fixed Assets, net	3,257,168	3,365,785
Total Assets	\$ 6,091,452	\$ 4,842,347
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 17,577	\$ 17,010
Accrued expenses	135,375	113,486
Sales tax payable	13,284	10,666
Notes payable, current portion	-	53,846
Total Current Liabilities	166,236	195,008
Long-term Liabilities		
Notes payable, less current portion	-	271,016
Total Long-term Liabilities	-	271,016
Total Liabilities	166,236	466,024
Net Assets		
Without donor restrictions	5,532,772	4,283,037
With donor restrictions	392,444	93,286
Total Net Assets	5,925,216	4,376,323
Total Liabilities and Net Assets	\$ 6,091,452	\$ 4,842,347

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

GEORGETOWN CARING PLACE
dba THE CARING PLACE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Totals for the Year Ended June 30, 2022)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2023	2022
Revenues:				
Thrift store:				
Donations of merchandise	\$ 1,835,477	\$ -	\$ 1,835,477	\$ 1,408,542
Sales of donated merchandise	1,799,923	-	1,799,923	1,328,357
Value of merchandise sold	<u>(1,799,923)</u>	<u>-</u>	<u>(1,799,923)</u>	<u>(1,328,357)</u>
Net thrift store revenues	1,835,477	-	1,835,477	1,408,542
Contributions	2,630,062	401	2,630,463	1,287,823
Grants	66,000	507,000	573,000	497,707
Fundraising	128,288	-	128,288	126,225
Interest and other income	11,586	-	11,586	10,628
Released from restrictions	<u>208,243</u>	<u>(208,243)</u>	<u>-</u>	<u>-</u>
Total Revenues	4,879,656	299,158	5,178,814	3,330,925
Expenses:				
Program	3,193,484	-	3,193,484	2,786,073
Administration	302,193	-	302,193	282,670
Fundraising	<u>134,244</u>	<u>-</u>	<u>134,244</u>	<u>125,044</u>
Total Expenses	3,629,921	-	3,629,921	3,193,787
Change in Net Assets	1,249,735	299,158	1,548,893	137,138
Net Assets:				
Beginning of year	<u>4,283,037</u>	<u>93,286</u>	<u>4,376,323</u>	<u>4,239,185</u>
End of year	<u>\$ 5,532,772</u>	<u>\$ 392,444</u>	<u>\$ 5,925,216</u>	<u>\$ 4,376,323</u>

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

GEORGETOWN CARING PLACE
dba THE CARING PLACE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Totals for the Year Ended June 30, 2022)

	Program	Administration	Fundraising	Total	
				2023	2022
Salaries	\$ 1,287,654	\$ 179,647	\$ 60,682	\$ 1,527,983	\$ 1,426,259
Payroll taxes and benefits	312,090	44,585	14,862	371,537	310,935
Total Personnel Expense	<u>1,599,744</u>	<u>224,232</u>	<u>75,544</u>	<u>1,899,520</u>	<u>1,737,194</u>
Client services	949,953	-	-	949,953	725,170
Depreciation	127,779	18,254	6,085	152,118	125,726
Utilities	107,432	13,278	-	120,710	109,982
Building and ground maintenance	103,539	12,797	-	116,336	132,177
Thrift store	72,291	-	-	72,291	57,655
Legal and professional	20,348	19,751	19,751	59,850	58,418
Insurance	49,609	7,087	2,362	59,058	57,101
Office rent	40,200	-	-	40,200	40,200
Office supplies and IT	29,812	4,258	1,419	35,489	39,745
Fundraising expenses	-	-	28,556	28,556	26,490
Advertising	26,559	-	-	26,559	30,797
Contract labor	24,210	-	-	24,210	18,382
Volunteer support and supplies	16,502	-	-	16,502	7,764
Interest	7,723	955	-	8,678	11,619
Vehicle	6,715	-	-	6,715	6,286
Printing and postage	5,635	805	268	6,708	5,198
Education and training	4,011	573	191	4,775	3,186
Cash over/short	1,422	203	68	1,693	697
	<u>\$ 3,193,484</u>	<u>\$ 302,193</u>	<u>\$ 134,244</u>	<u>\$ 3,629,921</u>	<u>\$ 3,193,787</u>

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

GEORGETOWN CARING PLACE
dba THE CARING PLACE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Totals for the Year Ended June 30, 2022)

	2023	2022
Cash Flows from Operating Activities:		
Change in net assets	\$ 1,548,893	\$ 137,138
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	152,118	125,726
(Increase) decrease in operating assets:		
Grants Receivable	(216,000)	-
Inventory	(35,554)	(80,185)
Prepaid expenses	4,832	5,616
Increase (decrease) in operating liabilities:		
Accounts payable	567	(15,668)
Accrued expenses	21,889	51,607
Sales tax payable	2,618	3,970
	1,479,363	228,204
Net Cash Provided by Operating Activities		
Cash Flows from Investing Activities:		
Purchase of fixed assets	(43,501)	(363,552)
Earnings on certificates of deposit reinvested	(38,687)	(3,287)
	(82,188)	(366,839)
Net Cash Used in Investing Activities		
Cash Flows from Financing Activities:		
Payments on notes payable	(324,862)	(58,221)
	(324,862)	(58,221)
Net Cash Used in Financing Activities		
Net Increase (Decrease) in Cash and Cash Equivalents	1,072,313	(196,856)
Cash and Cash Equivalents, Beginning of Year	898,740	1,095,596
Cash and Cash Equivalents, End of Year	\$ 1,971,053	\$ 898,740
Supplement disclosure of cash flow information:		
Cash paid for interest	\$ 8,678	\$ 11,619

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

GEORGETOWN CARING PLACE
dba THE CARING PLACE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(With Comparative Totals for June 30, 2022)

NOTE A - DESCRIPTION OF ORGANIZATION

The Georgetown Caring Place (the Organization) is a non-profit Texas corporation established in 1986 to carry out a community-wide mission of churches, other organizations, and individuals serving human needs in the City of Georgetown and surrounding areas. The Organization's work includes providing food, clothing, household goods, case management, and financial assistance with basic needs for persons residing in Georgetown and northern Williamson County.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies for the Organization is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management who is responsible for their integrity and objectivity. These accounting policies and principles conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the accounting period in which they are earned and become measurable. Expenditures are recorded in the accounting period incurred, if measurable.

Net Assets

Net assets and revenue, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified as follows:

Net Assets Without Donor Restrictions: Assets available for use in general operations and not subject to donor restrictions. As described in Note G, the Board of Directors has designated, from net assets without donor restrictions, certain amounts to be used for strategic planning.

GEORGETOWN CARING PLACE
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
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NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Net Assets - Continued

Net Assets With Donor Restrictions: Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met with the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. There were no donor-imposed restrictions of a perpetual nature at June 30, 2023 and 2022. Donor-imposed restrictions are released when a restriction expires, such as when a stipulated time has elapsed, when the purpose for the restriction has been fulfilled, or both. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Income Tax Status

The Organization is exempt under Section 501(c)(3) of the Internal Revenue Code from Federal Income Tax on income arising from its exempt purpose. The Organization is also exempt from state income taxes in the State of Texas under Sections 151.310, 156.102, and 171.062 of the Texas Tax Code. Therefore, no provisions for income taxes are included in the financial statements. Provisions for income taxes on unrelated business income are made when required for income from non-exempt activities and paid during the year.

The Organization does not believe that it has engaged in any situation that would result in an uncertain tax position. As a result, management does not believe that any uncertain tax positions currently exist and therefore, no loss contingency has been recognized in the accompanying financial statements. Federal and state income tax statutes dictate that tax returns filed in any of the previous three and four reporting periods remain open to examination. Currently, the Organization has no open examinations with either the Internal Revenue Service or state taxing authorities.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 financial statements and the reported amounts of revenue and expensed during the reporting period. Actual results could differ from those estimates.

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
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NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Cash and Cash Equivalents

The Organization considers all cash and other highly liquid investments with maturity of three months or less when purchased to be cash equivalents.

Inventory

The Organization has inventory of used clothing, household goods and other items donated by the local community for resale in the Organization's thrift stores. The inventory is stated at its estimated sales price, which management has determined to be the fair value of the items. Items that are available for sale as of June 30, 2023 and 2022 are included in inventory. Obsolete or unsellable items are removed from inventory.

Fixed Assets

Fixed assets are recorded at cost and depreciated over their estimated useful lives. Any donated items are recorded at fair value. When assets are retired, or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in the period. Maintenance and repairs are charged to expense as incurred, and significant renewals and betterments are capitalized. The Organization has a policy of only capitalizing depreciable assets purchased at or over \$1,000, expensing items falling below that amount. Depreciation is provided using the straight-line method over the estimated useful lives of the assets generally as follows:

Building and improvements	7-39 years
Furniture, fixtures and equipment	5-7 years

Revenue

The Organization's revenues come primarily from contributions, grants and the operation of the thrift stores. The thrift stores' sales of donated used clothing and household goods represent a contract with a customer at a point in time. The Organization does not extend product guarantees and does not accept returns. Therefore, revenue is recognized when the donated inventory is sold and the corresponding value is recognized as cost of goods sold.

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(With Comparative Totals for June 30, 2022)

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Revenue - Continued

Under FASB ASU 2016-145, contributions and grants received are recorded as Without Donor Restrictions or With Donor Restrictions depending on the existence or nature of any donor restrictions. Contributions that are reported as With Donor Restrictions are reclassified to Without Donor Restrictions net assets upon expiration of the time or purpose restriction. Contributions and grant restrictions that are satisfied in the year of receipt are reported as without donor restrictions revenue in the same year.

Donated Property and Services

Donated property and services are recorded at fair market value on the date of the donation as in-kind donations if all qualifications for recognition have been met. The Organization receives a significant amount of donated services from unpaid volunteers who assist in direct services, fundraising and special projects. No amount has been recognized in the statement of activities because those services do not meet the criteria for recognition. Contributed professional services are recognized if the services received create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Donated services of \$1,500 and \$5,000 were recorded for the years ended June 30, 2023 and 2022, respectively.

Functional Expenses

The expenses of the Organization's various programs and supporting services have been reported on a functional basis. Accordingly, certain expenses are allocated between program and supporting service benefited. Such allocations are based on estimates made by management and historical analysis. Occupancy expenses are allocated on a square footage basis. Salaries, benefits, and payroll taxes, as well as, office expenses, information technology, insurance, depreciation, and other are allocated on the basis of estimates of time and effort. Program related expenses directly attributable to a specific functional area are reported as expenses of those functional areas.

Leases

The Organization has elected to exclude short-term leases, twelve months or less, and immaterial leases from ASC Topic 842. The Organization's leases include a short-term operating lease for one of the thrift store locations.

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(With Comparative Totals for June 30, 2022)

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Compensated Absences

The Organization expenses paid time off in the year earned. Upon termination, the employee is compensated for any accrued but unused paid time off.

Advertising

The Organization expenses advertising costs as they are incurred.

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by class of net assets. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

New Accounting Pronouncements

In February 2016, the FASB issued a new accounting pronouncement, ASC Topic 842, regarding lease accounting effective for reporting periods beginning after December 15, 2021. The Organization adopted the pronouncement as of July 1, 2022. As of July 1, 2022 and for the year ended June 30, 2023, the Organization's lease agreements were either immaterial or short-term and therefore the adoption of this guidance did not impact the Organization's financial position or its results of operations.

In September 2020, the FASB issued a new accounting pronouncement, ASC Topic 958, regarding presentation and disclosures by not-for-profit entities effective for reporting periods beginning after June 15, 2021. The Organization adopted the pronouncement as of July 1, 2022. The adoption of this guidance did not impact the Organization's financial position, its results of operations or its disclosures.

GEORGETOWN CARING PLACE
 dba THE CARING PLACE
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2023
 (With Comparative Totals for June 30, 2022)

NOTE C - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year from the statement of financial position date, comprise the following as of June 30:

	2023	2022
Cash and cash equivalents	\$ 1,971,053	\$ 898,740
Certificates of deposit	516,786	478,099
	2,487,839	1,376,839
Less: Board designated net asset	1,000,000	-
	\$ 1,487,839	\$ 1,376,839

As a part of the organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The policy is that monthly revenues are to cover monthly expenses. Monthly revenues and expenditures are deposited in and deducted from the Organization's operating accounts.

NOTE D - CERTIFICATES OF DEPOSIT

Certificates of deposit are carried at cost which approximates fair value.

NOTE E - GRANTS RECEIVABLE

Grants receivable includes a two year grant awarded during the year ended June 30, 2023 with the second payment to be paid during the year ended June 30, 2024. The total amount is expected to be collected and therefore no allowance has been recorded.

NOTE F - FIXED ASSETS, NET

Fixed assets consists of the following as of June 30:

	2023	2022
Land	\$ 416,507	\$ 416,507
Buildings and improvements	4,157,827	4,129,306
Furniture, fixtures and equipment	459,575	444,594
	5,033,909	4,990,407
Less: accumulated depreciation	1,776,741	1,624,622
	\$ 3,257,168	\$ 3,365,785

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 (With Comparative Totals for June 30, 2022)

NOTE G - NOTES PAYABLE

Notes payable consists of the following as of June 30:

	2023	2022
Note payable to a bank for \$200,000; due in monthly installments of \$2,031, including interest at 4.25%, maturing in February 2028, secured by property.	\$ -	\$ 120,651
Note payable to a bank for \$165,455; due in monthly installments of \$1,695, including interest at 3.25%, maturing in August 2027, secured by property.	-	77,645
Note payable to a bank for \$200,000; due in monthly installments of \$2,049, including interest at 3.25%, maturing in February 2028, secured by property.	-	126,566
	-	324,862
Less: current portion	-	53,846
	\$ -	\$ 271,016

During the year ended June 30, 2023, all three notes were paid in full.

NOTE H - BOARD DESIGNATED NET ASSETS

Included in net assets without donor restrictions is board designated net assets for strategic purposes of \$1,000,000 and \$0 as of June 30, 2023 and 2022, respectively.

GEORGETOWN CARING PLACE
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 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2023
 (With Comparative Totals for June 30, 2022)

NOTE I - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes as of June 30:

	<u>2023</u>	<u>2022</u>
Atmos	\$ 12,590	\$ 18,286
Rent and mortgages	75,000	75,000
Support for older adults	304,453	-
Other	<u>401</u>	<u>-</u>
Total Net Assets with Restrictions	<u>\$ 392,444</u>	<u>\$ 93,286</u>

Net assets released from net assets with donor restrictions are for client services as follows:

	<u>2023</u>	<u>2022</u>
Satisfaction of purpose restrictions		
Support for older adults	\$ 127,547	\$ -
Rent and mortgages	75,000	-
Atmos	5,696	5,006
COVID	<u>-</u>	<u>22,792</u>
Total	<u>\$ 208,243</u>	<u>\$ 27,798</u>

NOTE J - RETIREMENT PLAN

The Organization has adopted a Simple IRA retirement plan for all eligible employees. The amount of the Organization's contribution is determined by its board of directors. Contributions made by the Organization for the years ended June 30, 2023 and 2022 were \$30,520 and \$30,629, respectively.

NOTE K - RELATED PARTY TRANSACTIONS

During the years ended June 30, 2023 and 2022, the Organization incurred legal expenses of \$18,263 and \$24,920, respectively, to a law firm for which one of the Board members was a partner. One of the Organization's Board members is an officer for the bank that holds its notes payable, which are at standard not-for-profit terms.

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(With Comparative Totals for June 30, 2022)

NOTE L - CONCENTRATIONS

The Organization is exposed to various risks of loss related to tort; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended June 30, 2023, the Organization was covered by insurance for these various risks at a reasonable level and a cost it considered to be economically justifiable.

At various times throughout the year ending June 30, 2023, the Organization exceeded the balances covered by the Federal Deposit Insurance Corporation (FDIC). Management monitors all accounts and has not experienced any losses on deposits.

NOTE M - RECLASSIFICATIONS

Certain balances from the June 30, 2022 financial statements have been reclassified to conform to the June 30, 2023 financial statement presentation. Such reclassifications had no effect on the previously reported net income for the year ended June 30, 2022.

NOTE N - SUBSEQUENT EVENTS

Management has evaluated all subsequent events for disclosure and/or recognition through October 19, 2023, which is the date the financial statements were available to be issued. No events occurred that would impact the financial statements.