

MINISTRY OF CARING, INC.

**FINANCIAL STATEMENTS,
INDEPENDENT AUDITORS' REPORTS,
SINGLE AUDIT, AND SUPPLEMENTARY
INFORMATION**

DECEMBER 31, 2013 AND 2012

MINISTRY OF CARING, INC.
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Independent Auditors' Report

To the Board of Directors
Ministry of Caring, Inc.

We have audited the accompanying financial statements of Ministry of Caring, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2013 and 2012, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

To the Board of Directors of
Ministry of Caring, Inc.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ministry of Caring, Inc. as of December 31, 2013 and 2012 and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audits were 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 Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 4, 2014 on our consideration of Ministry of Caring, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is 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 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, Inc.'s internal control over financial reporting and compliance.

Belfint, Lyons & Shuman, P.A.

September 4, 2014
Wilmington, Delaware

MINISTRY OF CARING, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
ASSETS		
Cash and Cash Equivalents	\$ 1,286,689	\$ 2,720,419
Grants Receivable	1,809,783	509,643
Promises to Give - Net	118,733	327,175
Prepaid Expenses and Other Assets	98,155	148,140
Due from Affiliated Organizations	203,678	99,270
Mortgage Escrow Accounts	321,160	308,774
Investments	12,721,411	10,801,155
Property and Equipment - Net	16,109,120	16,614,921
Beneficial Interest in Split-Interest Agreements	<u>1,107,425</u>	<u>975,580</u>
TOTAL ASSETS	<u><u>\$ 33,776,154</u></u>	<u><u>\$ 32,505,077</u></u>
LIABILITIES		
Accounts Payable	\$ 187,197	\$ 237,334
Accrued Expenses	261,387	238,800
Accrued Construction Costs Payable	26,237	42,845
Security and Other Deposits	31,891	33,421
Due to Affiliated Organizations	260,564	162,941
Line of Credit	573,799	749,048
Accrued Credit Losses (Loan Guarantee)	647,587	647,587
Mortgages Payable - Delaware State Housing Authority	<u>944,446</u>	<u>944,446</u>
TOTAL LIABILITIES	<u>2,933,108</u>	<u>3,056,422</u>
NET ASSETS		
Unrestricted	26,334,757	24,607,597
Temporarily Restricted	3,612,285	4,023,733
Permanently Restricted	<u>896,004</u>	<u>817,325</u>
TOTAL NET ASSETS	<u>30,843,046</u>	<u>29,448,655</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 33,776,154</u></u>	<u><u>\$ 32,505,077</u></u>

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

MINISTRY OF CARING, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2013 AND 2012

	2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE AND OTHER SUPPORT				
Contributions and Fundraising	\$ 1,641,263	\$ 59,406	\$ -	\$ 1,700,669
United Way	126,333	-	-	126,333
Government Grants	4,533,760	-	-	4,533,760
Program Fees	886,952	-	-	886,952
Change in Value of Split-Interest Agreements	-	53,166	78,679	131,845
Investment Income - Perpetual Trust	13,756	-	-	13,756
Interest and Dividends	226,975	3,469	-	230,444
Net Gains on Investments	2,221,218	30,731	-	2,251,949
Loss on Disposal of Property and Equipment	(1,803)	-	-	(1,803)
Miscellaneous Income	25,892	-	-	25,892
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenue	9,674,346	146,772	78,679	9,899,797
Net Assets Released from Restriction	558,220	(558,220)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL REVENUE AND OTHER SUPPORT	10,232,566	(411,448)	78,679	9,899,797
	<hr/>	<hr/>	<hr/>	<hr/>
EXPENSES				
Program Services (76%), (78%)	6,497,471	-	-	6,497,471
Management and General (17%), (16%)	1,421,576	-	-	1,421,576
Fundraising (7%), (6%)	586,359	-	-	586,359
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL EXPENSES	8,505,406	-	-	8,505,406
	<hr/>	<hr/>	<hr/>	<hr/>
CHANGE IN NET ASSETS	1,727,160	(411,448)	78,679	1,394,391
NET ASSETS - Beginning of Year	24,607,597	4,023,733	817,325	29,448,655
	<hr/>	<hr/>	<hr/>	<hr/>
NET ASSETS - End of Year	<u>\$ 26,334,757</u>	<u>\$ 3,612,285</u>	<u>\$ 896,004</u>	<u>\$ 30,843,046</u>

2012			
Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 1,909,612	\$ 1,574,592	\$ -	\$ 3,484,204
131,918	-	-	131,918
4,655,164	-	-	4,655,164
1,002,715	-	-	1,002,715
-	22,212	35,218	57,430
21,230	-	-	21,230
285,777	3,364	-	289,141
781,038	8,508	-	789,546
-	-	-	-
37,256	-	-	37,256
8,824,710	1,608,676	35,218	10,468,604
167,937	(167,937)	-	-
8,992,647	1,440,739	35,218	10,468,604
6,646,044	-	-	6,646,044
1,364,328	-	-	1,364,328
519,582	-	-	519,582
8,529,954	-	-	8,529,954
462,693	1,440,739	35,218	1,938,650
24,144,904	2,582,994	782,107	27,510,005
\$ 24,607,597	\$ 4,023,733	\$ 817,325	\$ 29,448,655

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

MINISTRY OF CARING, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2013 AND 2012

	2013			
	Program Services	Management and General	Fundraising	Total Program and Supporting Services
SALARIES AND RELATED EXPENSES				
Salaries - Religious Employees	\$ 415,810	\$ 94,110	\$ 36,911	\$ 546,831
Salaries - Lay Employees	2,936,018	525,421	250,560	3,711,999
Employee Benefits	752,169	170,237	66,769	989,175
Payroll Taxes	216,406	48,979	19,210	284,595
TOTAL SALARIES AND RELATED EXPENSES	4,320,403	838,747	373,450	5,532,600
OTHER EXPENSES				
Advertising and Public Relations	5,888	1,333	522	7,743
Amortization	-	239	-	239
Assistance to Individuals and Groups	28,122	-	-	28,122
Automobile Expenses	62,745	14,201	5,570	82,516
Cleaning	50,355	10,578	5,289	66,222
Conferences and Training	9,992	2,261	887	13,140
Depreciation	665,897	150,711	59,112	875,720
Educational and Program Supplies	15,897	-	-	15,897
Food and Beverages	190,150	899	-	191,049
Fundraising Events	-	-	69,230	69,230
Interest Expense and Bank Fees	-	18,178	-	18,178
Insurance	120,501	27,273	10,696	158,470
Medical and Dental Supplies	98,154	-	-	98,154
Minor Equipment	13,792	3,122	1,224	18,138
Miscellaneous	17,280	3,911	1,534	22,725
Office Supplies	22,696	5,137	2,015	29,848
Other Supplies	12,610	2,854	1,120	16,584
Postage	7,739	1,751	687	10,177
Printing and Publications	15,455	3,498	1,372	20,325
Professional Fees	17,687	229,579	-	247,266
Repairs and Maintenance	203,028	42,649	21,324	267,001
Scholarships	-	-	-	-
Service Contracts	311,294	-	-	311,294
Utilities	307,786	64,655	32,327	404,768
TOTAL OTHER EXPENSES	2,177,068	582,829	212,909	2,972,806
TOTAL EXPENSES	\$ 6,497,471	\$ 1,421,576	\$ 586,359	\$ 8,505,406

2012			
<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Program and Supporting Services</u>
\$ 373,273	\$ 76,177	\$ 23,407	\$ 472,857
2,964,699	605,033	185,904	3,755,636
728,483	148,668	45,680	922,831
221,248	45,152	13,874	280,274
<u>4,287,703</u>	<u>875,030</u>	<u>268,865</u>	<u>5,431,598</u>
5,594	1,142	351	7,087
-	239	-	239
93,133	-	-	93,133
73,106	14,919	4,584	92,609
46,205	9,031	4,515	59,751
10,353	2,113	649	13,115
719,968	146,930	45,147	912,045
20,435	-	-	20,435
180,666	500	-	181,166
-	-	140,537	140,537
-	22,089	-	22,089
125,684	25,649	7,881	159,214
110,251	-	-	110,251
14,943	3,049	937	18,929
9,494	1,938	595	12,027
22,377	4,567	1,403	28,347
15,959	3,257	1,001	20,217
9,480	1,935	594	12,009
8,016	1,636	502	10,154
31,218	166,262	-	197,480
138,715	27,111	13,555	179,381
32,988	-	-	32,988
398,457	-	-	398,457
291,299	56,931	28,466	376,696
<u>2,358,341</u>	<u>489,298</u>	<u>250,717</u>	<u>3,098,356</u>
<u>\$ 6,646,044</u>	<u>\$ 1,364,328</u>	<u>\$ 519,582</u>	<u>\$ 8,529,954</u>

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

MINISTRY OF CARING, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Revenues and Other Support	\$ 6,937,469	\$ 8,055,036
Cash Paid to Suppliers and Employees	(8,475,905)	(7,646,231)
Interest Paid	(18,178)	(22,089)
Interest and Dividends Received	<u>230,444</u>	<u>289,141</u>
NET CASH FROM OPERATING ACTIVITIES	<u>(1,326,170)</u>	<u>675,857</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(394,897)	(691,095)
Proceeds from Disposal of Property and Equipment	6,567	-
Purchase of Investments	(8,455,172)	(9,259,555)
Proceeds from Sale of Investments	8,824,526	9,534,410
Interest Earned but Retained in Mortgage Escrow Deposits	(884)	(449)
Distributions from Mortgage Escrow Deposits	13,307	10,643
Deposits into Mortgage Escrow	<u>(24,809)</u>	<u>(31,405)</u>
NET CASH FROM INVESTING ACTIVITIES	<u>(31,362)</u>	<u>(437,451)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Contributions Restricted for the Purchase of Property and Equipment	29,512	1,565,503
Proceeds from Line of Credit	4,751	6,427
Principal Payments on Line of Credit	(180,000)	(180,000)
Contributions Received on Behalf of Affiliated Organization	995,807	329,341
Payments Made To or On Behalf of Affiliated Entity - Net	(926,268)	(69,750)
Principal Payments on Accrued Credit Losses (Loan Guarantee)	<u>-</u>	<u>(5,000)</u>
NET CASH FROM FINANCING ACTIVITIES	<u>(76,198)</u>	<u>1,646,521</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,433,730)	1,884,927
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>2,720,419</u>	<u>835,492</u>
CASH AND CASH EQUIVALENTS - End of Year	<u><u>\$ 1,286,689</u></u>	<u><u>\$ 2,720,419</u></u>

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

MINISTRY OF CARING, INC.
STATEMENTS OF CASH FLOWS - CONTINUED
YEARS ENDED DECEMBER 31, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FROM OPERATING ACTIVITIES		
Change in Net Assets	<u>\$ 1,394,391</u>	<u>\$ 1,938,650</u>
Adjustments to Reconcile Change in Net Assets to Net Cash from Operating Activities		
Depreciation and Amortization	875,959	912,284
Gains on Investments	(2,251,949)	(789,546)
Loss on Disposal of Property and Equipment	1,803	-
Discount on Promises to Give	(10,775)	(10,300)
Noncash Contributions Received	(37,661)	(57,707)
Contributions Restricted for the Purchase of Property and Equipment	(29,512)	(1,565,503)
Change in Value of Split-Interest Agreements	(131,845)	(57,430)
Change in Assets		
Grants Receivable	(1,300,140)	182,939
Promises to Give	219,217	133,965
Prepaid Expenses and Other Assets	49,746	(62,137)
Due from Affiliated Organizations	(76,324)	38,179
Change in Liabilities		
Accounts Payable	(50,137)	(15,634)
Accrued Expenses	22,587	29,846
Security and Other Deposits	(1,530)	976
Due to Affiliated Organizations	<u>-</u>	<u>(2,725)</u>
Total Adjustments	<u>(2,720,561)</u>	<u>(1,262,793)</u>
NET CASH FROM OPERATING ACTIVITIES	<u><u>\$ (1,326,170)</u></u>	<u><u>\$ 675,857</u></u>

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

MINISTRY OF CARING, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 1: NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities - Ministry of Caring, Inc. (Organization) is a nonprofit organization formed for the principal purpose of providing emergency housing, meals, job search training, supportive services, and placement services to the needy. Services are provided through its 19 fiscally independent programs. The majority of the Organization's revenue is comprised of contributions and federal and state grants. The Organization operates in Wilmington, Delaware.

The financial statements include the following programs:

Administration, Emmanuel Dining Room, Mary Mother of Hope House II & III, Mary Mother of Hope House I, House of Joseph I, Job Placement Center, Mary Mother of Hope House Transitional Residence, Child Care Fund, St. Francis Transitional Residence, House of Joseph II, Samaritan Outreach, Pierre Toussaint Dental Office, House of Joseph Transitional Residence, Nazareth House Transitional Residence, Bethany House, Francis X. Norton Center, Maria Lorenza Longo House, Padre Pio House, and Ministry of Caring Guild.

Cash and Cash Equivalents - For purposes of the statements of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Grants Receivable - The Organization considers grants receivable to be fully collectible; accordingly, no allowance for doubtful accounts has been provided.

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. Provisions for uncollectible receivables are charged to expense when determined to be uncollectible by management. It is the opinion of management that the expense computed under this method is not materially different than what the expense would be if the allowance method were used. Discount rates used on long-term promises to give ranged from 0.95% to 4.60%. There were no promises to give written off to bad debt expense during the years ended December 31, 2013 and 2012.

Investments - Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Fair values are estimated based upon quoted market prices. Purchases are recorded on the trade date. Realized gains and losses are determined on the basis of first-in, first-out. Unrealized gains and losses are included in the change in net assets.

Property and Equipment - Purchased property and equipment are recorded at cost. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support

MINISTRY OF CARING, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2013

NOTE 1: NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Property and Equipment - continued - unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method over the estimated useful life of the related asset. The Organization's capitalization threshold is \$1,000. Acquisitions below this amount are expensed.

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

Recognition of Donor Restrictions - Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Donated Services - Donated services are recognized as contributions in accordance with the Financial Accounting Standards Board's Accounting Standards Codification (ASC) 958, *Not for Profit Entities*, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills and would otherwise be purchased by the Organization. Volunteers also provide receptionist, meal distribution to the homeless and fundraising services throughout the year that are not recognized as contributions in the financial statements since the criteria for ASC 958 are not met.

Expense Allocation - The cost of providing various programs and other activities has been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses whose functional classification is not identifiable with a particular component of the activity are allocated to functional categories based on a pro rata allocation consistent with payroll expenses for each fund.

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

MINISTRY OF CARING, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2013

NOTE 1: NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Amortization - Loan origination fees are reported net of accumulated amortization and included in other assets on the statements of financial position. Amortization is calculated using the straight-line method over the estimated useful life of 40 years.

Fair Value - The Organization follows the provisions of ASC 820, *Fair Value Measurements and Disclosure*. Under 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. 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 Organization is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and therefore has made no provision for federal income taxes in the accompanying financial statements. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been determined by the Internal Revenue Service (IRS) not to be a “private foundation” within the meaning of Section 509(a)(2) of the IRC.

Income not related to the Organization’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 Organization has determined that no liability for uncertain tax positions is required to be accrued and included in the statements of financial position as of December 31, 2013 and 2012.

The federal informational returns of the Organization for the years ended December 31, 2010, 2011, and 2012 are subject to examination by the IRS, generally for three years after they were filed.

MINISTRY OF CARING, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2013

NOTE 1: NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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

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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2: GRANTS RECEIVABLE

Grants receivable consisted of the following as of December 31:

	2013	2012
State of Delaware - Grant-in-Aid	\$ 217,775	\$ 108,888
State of Delaware - Office of Health and Social Services	61,199	34,205
City of Wilmington - Community Development Block Grant	368	3,342
New Castle County - Community Development Block Grant	5,000	2,075
New Castle County - Emergency Shelter Grant	12,379	2,935
First State Community Action Agency	76,540	39,480
Henrietta Johnson Medical Center - Homeless Healthcare	62,168	60,458
State of Delaware - Purchase of Care Program	58,168	50,479
State of Delaware - Child and Adult Care Food Program	25,491	24,552
City of Wilmington - HOPWA	5,994	4,385
State of Delaware - Division of Public Health	32,896	19,372
U.S. Department of Housing and Urban Development		
Supporting Housing Program	1,057,494	113,904
HOPWA	177,104	19,878
State of Delaware - AmeriCorps State Caring Corps	17,207	25,690
	<hr/>	<hr/>
Total	<u>\$ 1,809,783</u>	<u>\$ 509,643</u>

MINISTRY OF CARING, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2013

NOTE 3: PROMISES TO GIVE

Promises to give as of December 31 are unconditional and were receivable from various donors as follows:

	2013	2012
Receivable in Less than One Year	\$ 118,733	\$ 226,616
Receivable in One to Five Years	-	111,334
	118,733	337,950
Less Discounts to Net Present Value	-	10,775
Total Unconditional Promises to Give - Net	<u>\$ 118,733</u>	<u>\$ 327,175</u>

NOTE 4: MORTGAGE ESCROW DEPOSITS

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

	2013	2012
<i>Delaware State Housing Authority Operating Reserve</i> - Funds may be utilized for the payment of operating expenses and loan delinquencies.		
- Mary Mother of Hope House I Fund	\$ 201,414	\$ 200,846
- St. Francis Transitional Residence Fund	16,317	16,271
<i>Insurance Reserve</i> - Funds may be utilized for insurance premiums. Minimum monthly deposits decreased from \$475 to \$200 for St. Francis Transitional Residence Fund and from \$1,800 to \$150 for Mary Mother of Hope House I Fund during 2013.		
- Mary Mother of Hope House I Fund	14,627	13,550
- St. Francis Transitional Residence Fund	9,175	9,734
<i>Reserve for Replacement</i> - Funds may be utilized for replacement of structural elements and mechanical equipment or for common area painting and decorating. Minimum monthly deposits increased from \$410 to \$420 for Mary Mother of Hope House I Fund and from \$487 to \$499 for St. Francis Transitional Residence Fund during 2013.		
- Mary Mother of Hope House I Fund	12,758	7,711
- St. Francis Transitional Residence Fund	64,414	58,278
<i>Interest Reserve</i> - Funds represent interest earned on the insurance reserve and may be utilized for operating expense deficits and loan delinquencies at DSHA's sole discretion.		
- Mary Mother of Hope House I Fund	50	12
- St. Francis Transitional Residence Fund	2,405	2,372
	<u>\$ 321,160</u>	<u>\$ 308,774</u>

MINISTRY OF CARING, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2013

NOTE 5: LOAN ORIGATION COSTS

Loan origination costs represent costs associated with obtaining financing. The intangible has an estimated useful life of 40 years and is amortized in accordance with Note 1. As of December 31, 2013 and 2012, loan origination costs were carried at \$5,047 and \$5,286, respectively, net of accumulated amortization of \$4,534 and \$4,295, respectively.

NOTE 6: INVESTMENTS

Investments consisted of the following as of December 31:

	2013		2012	
	Cost	Fair Value	Cost	Fair Value
US Treasury Securities	\$ 1,526,965	\$ 1,504,361	\$ 1,123,896	\$ 1,161,938
US Agency Securities	1,045,904	1,050,385	1,074,600	1,163,971
Corporate Bonds	1,696,618	1,689,655	1,294,912	1,343,119
Domestic Equities	5,868,408	7,994,292	6,020,996	6,824,832
International Equities	418,954	482,718	278,850	307,295
Total Investments	<u>\$ 10,556,849</u>	<u>\$ 12,721,411</u>	<u>\$ 9,793,254</u>	<u>\$ 10,801,155</u>

During the years ended December 31, 2013 and 2012, respectively, net gains on investments consisted of \$1,095,288 and \$385,316 of net realized gains and \$1,156,661 and \$404,230 of net unrealized gains.

NOTE 7: PROPERTY AND EQUIPMENT

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

	2013	2012
Land	\$ 896,586	\$ 896,586
Building and Improvements	24,095,881	23,974,168
Construction in Progress	275,669	220,660
Furniture and Equipment	2,865,001	2,669,501
Automobiles	387,431	389,990
Property and Equipment - Used In Operations	28,520,568	28,150,905
Accumulated Depreciation	<u>12,411,448</u>	<u>11,535,984</u>
Property and Equipment - Net	<u>\$ 16,109,120</u>	<u>\$ 16,614,921</u>

MINISTRY OF CARING, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2013

NOTE 8: SPLIT-INTEREST AGREEMENTS

The Organization has known remainder interests in two charitable remainder unitrusts. Upon the death of the income beneficiaries, the Organization will receive their designated percentage of the remaining principal in these trusts. The Organization reports the asset at its present value considering discount rates ranging from 4.68% to 6.80% and the estimated life expectancy of the beneficiaries. For the years ended December 31, 2013 and 2012, the Organization's beneficial interest in these split-interest agreements increased \$53,166 and \$22,212, respectively, which represented a change in the value of existing trusts. As of December 31, 2013 and 2012, the Organization's estimated present value interest in these trusts was \$298,658 and \$245,492, respectively.

The Organization has a beneficial interest in a charitable perpetual trust, the assets of which are not in the possession of the Organization. The beneficial interest allows the Organization to receive their pro rata share of an annual required minimum distribution. Distributions from the perpetual trust, reported as investment income - perpetual trust in the statements of activities, were \$13,756 and \$21,230 during the years ended December 31, 2013 and 2012, respectively. The Organization's beneficial interest in this trust is irrevocable; therefore, the Organization measures their beneficial interest in the trust's assets at fair value. Included in the statements of activities is an increase in the Organization's beneficial interest in the trust of \$78,679 and \$35,218 for the years ended December 31, 2013 and 2012, respectively, based on changes in value of trust assets. The Organization's beneficial interest in the perpetual trust included in the statement of financial position as of December 31, 2013 and 2012 was \$808,767 and \$730,088, respectively. The net assets associated with the Organization's beneficial interest in the perpetual trust are reported as permanently restricted.

NOTE 9: FINANCIAL INSTRUMENTS

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash accounts and investments.

The Organization maintains its cash balances at three financial institutions in Wilmington, Delaware. The cash balances normally exceed federally insured limits. The Organization regularly monitors the cash balances and believes the risk of loss to be low. The uninsured balances as of December 31, 2013 and 2012 were \$984,667 and \$1,745,004, respectively.

The Organization's investment portfolio is exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the Organization's account balances and the amounts reported in the statements of financial position.

MINISTRY OF CARING, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2013

NOTE 10: LINE OF CREDIT

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 effective interest rate as of December 31, 2013 and 2012 was 0.669% and 0.844%, respectively. The available credit is reevaluated monthly and is based on the market value of the pledged collateral. As of December 31, 2013, the estimated market value of the Organization's investments pledged as collateral was \$7,398,803 and the available line of credit beyond the outstanding debt balance was \$4,342,802. The outstanding balance was \$573,799 and \$749,048 as of December 31, 2013 and 2012, respectively.

NOTE 11: MORTGAGES

The Organization has an interest-free deferred mortgage payable in the amount of \$344,446 with the Delaware State Housing Authority. Loan proceeds were utilized for the acquisition and rehabilitation of two existing properties 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.

On February 9, 2011, the Organization entered into an additional interest-free deferred mortgage payable with the Delaware State Housing Authority in the amount of \$600,000. 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.

NOTE 12: GUARANTEES OF DEBT (ACCRUED CREDIT LOSS)

The Organization has common board members with Sacred Heart Housing, Inc. On March 14, 2007, Sacred Heart Housing, Inc. obtained a line of credit through a financial institution secured by the Organization's investment accounts held with the financial institution. The available credit is reevaluated monthly and is based on the market value of the pledged collateral. As of December 31, 2013, the estimated market value of the Organization's investments pledged as collateral was \$4,649,099 and the available line of credit beyond the outstanding debt balance was \$2,470,954. As of December 31, 2013 and 2012, the outstanding debt balance owed by Sacred Heart Housing, Inc. was \$647,587. The carrying value of Sacred Heart Housing, Inc.'s total assets as of December 31, 2013 and 2012 was \$87,020 and \$87,025, respectively. As a result, the Organization accrued a credit loss of \$647,587 as of December 31, 2013 and 2012, equal to the total outstanding debt obligation for the amount of potential payment that the Organization would be required to make in accordance with the loan guarantee. Management believes that accruing the credit loss under the loan guarantee more accurately reflects the financial position of the Organization as of December 31, 2013 and 2012.

MINISTRY OF CARING, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2013

NOTE 13: RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of assets restricted for the following purposes as of December 31:

	2013	2012
Beneficial Interest in Remainder Trusts	\$ 298,658	\$ 245,492
Child Care Scholarships	1,572,744	1,706,432
Cliff Abel Holiday Fund	34,753	41,848
Endowment Fund - Emmanuel Dining Room	90,792	57,521
Freezer/HVAC - Emmanuel Dining Room	4,865	18,320
Job Placement Center - Training	59,023	59,844
Josephine Bakhita House - Renovations	325,368	378,984
St. Patrick's House - Renovations	913,523	989,049
615 North Jackson Street - Renovations	182,496	270,176
Mary Mother of Hope House I	16,099	30,000
Paperless Office Conversion	12,964	12,964
Pierre Toussaint Dental Office	-	8,000
HVAC - Child Care Center	-	30,957
Child Care Training and Supplies	-	15,559
Employee Health Program	-	17,855
Housing Needs Campaign	100,000	100,000
Other Donor-Restricted Projects	1,000	40,732
	<u>\$ 3,612,285</u>	<u>\$ 4,023,733</u>
Total	<u>\$ 3,612,285</u>	<u>\$ 4,023,733</u>

Permanently restricted net assets consisted of assets restricted for the following purposes as of December 31:

	2013	2012
Beneficial Interest in Perpetual Trusts	\$ 808,767	\$ 730,088
Cash and Investment Balances to be Held Indefinitely to Generate Income for the Emmanuel Dining Room	87,237	87,237
	<u>\$ 896,004</u>	<u>\$ 817,325</u>
Total	<u>\$ 896,004</u>	<u>\$ 817,325</u>

MINISTRY OF CARING, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2013

NOTE 14: ENDOWMENT FUNDS

The Organization's Endowment Fund (Fund) is a result of a gift instrument restricting the assets from the gift to be held in perpetuity to generate income to support the operations of the Emmanuel Dining Room. 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 classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the Fund. The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets 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.

Investment Return Objectives, Risk Parameters, and Strategies - The Organization has adopted investment and spending policies, approved by the Board of Directors, for the Fund'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 pooled investment portfolio consisting of a mix of government debt, corporate debt, and equity securities. These investments are intended to result in a consistent inflation-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 Fund; investment assets and allocation between asset classes and strategies are managed to not expose the Fund to unacceptable levels of risk.

Spending Policy - The Organization appropriates for distribution amounts approved by management or the Board of Directors. The Organization considers the long-term expected return on its investment assets and the nature and duration of the endowment funds.

MINISTRY OF CARING, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2013

NOTE 14: ENDOWMENT FUNDS - CONTINUED

The Fund's net asset composition by type of fund is as follows:

Endowment Net Asset Composition	Temporarily Restricted	Permanently Restricted	Total
As of December 31, 2013	\$ 90,792	\$ 87,237	\$ 178,029
As of December 31, 2012	\$ 57,521	\$ 87,237	\$ 144,758

Changes in the Fund's net assets for the years ended December 31, 2013 and 2012 were as follows:

	Temporarily Restricted	Permanently Restricted	Total
Endowment Net Assets - January 1, 2012	\$ 46,391	\$ 87,237	\$ 133,628
<u>2012 Endowment Activity</u>			
Interest and Dividends	3,364	-	3,364
Unrealized Gains on Investments	6,936	-	6,936
Realized Gains on Investments	1,572	-	1,572
Investment Fees	(742)	-	(742)
Amounts Appropriated for Expenditure	-	-	-
Endowment Net Assets - December 31, 2012	57,521	87,237	144,758
<u>2013 Endowment Activity</u>			
Interest and Dividends	3,469	-	3,469
Unrealized Gains on Investments	13,548	-	13,548
Realized Gains on Investments	17,183	-	17,183
Investment Fees	(929)	-	(929)
Amounts Appropriated for Expenditure	-	-	-
Endowment Net Assets - December 31, 2013	\$ 90,792	\$ 87,237	\$ 178,029

MINISTRY OF CARING, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2013

NOTE 15: SUPPLEMENTAL CASH FLOW INFORMATION

Noncash investing and financing for the years ended December 31, 2013 and 2012 consisted of the following:

	<u>2013</u>	<u>2012</u>
Noncash Investing and Financing Activities		
Current Accrued Construction Costs Payable	\$ 26,237	\$ 42,845
Prior Accrued Construction Costs Payable	42,845	87,409
Donated Investments	37,661	43,417
Donated Property and Equipment	-	14,290
Property and Equipment Transferred to Affiliated Entity	-	498,525

NOTE 16: PENSION PLAN

The Ministry of Caring, Inc. 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 participants' compensation as of December 31, 2013 and 2012. 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 \$138,054 and \$22,661, respectively, for the year ended December 31, 2013 and \$121,954 and \$21,428, respectively, for the year ended December 31, 2012.

NOTE 17: RELATED PARTY TRANSACTIONS

The Organization has common board members with Sacred Heart Village, Inc., Sacred Heart Housing, Inc., Mother Teresa House, Inc. and Sacred Heart Village II.

The Organization receives revenue for providing administrative services and paying expenses on behalf of Sacred Heart Village, Inc. For the years ended December 31, 2013 and 2012, revenue from administrative services and expenses paid on behalf of Sacred Heart Village, Inc. was \$64,053 and \$69,235, respectively.

The Organization has in the past advanced funds to Sacred Heart Village, Inc. In 2004, the Organization fully reserved as uncollectible a receivable from Sacred Heart Village, Inc. in the amount of \$160,095, which resulted from prior advances. As of December 31, 2013 and 2012, this receivable is still fully reserved.

MINISTRY OF CARING, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2013

NOTE 17: RELATED PARTY TRANSACTIONS - CONTINUED

During the years ended December 31, 2013 and 2012, the Organization received funds totaling \$975,807 and \$329,341, respectively, to be held on behalf of Sacred Heart Village II. In addition, during the years ended December 31, 2013 and 2012, payments made by the Organization to or on behalf of Sacred Heart Village II were \$975,445 and \$0, respectively.

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 due from affiliated organizations in the 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 as of December 31:

	<u>2013</u>	<u>2012</u>
Due From Affiliated Organizations		
Sacred Heart Village, Inc.	\$ 19,194	\$ 13,081
Sacred Heart Village, Inc. - Advance (Net of \$160,095 Allowance)	-	-
Sacred Heart Housing, Inc.	3,075	3,075
Mother Teresa House, Inc.	-	3,364
Sacred Heart Village II, Inc.	<u>181,409</u>	<u>79,750</u>
 Total Due From Affiliated Organizations	 <u>203,678</u>	 <u>99,270</u>
Due To Affiliated Organizations		
Sacred Heart Housing, Inc. - Advance	80,916	81,666
Mother Teresa House, Inc.	8,398	-
Sacred Heart Village II, Inc.	<u>171,250</u>	<u>81,275</u>
 Total Due To Affiliated Organizations	 <u>260,564</u>	 <u>162,941</u>
 Net Due From (To) Affiliated Organizations	 <u><u>\$ (56,886)</u></u>	 <u><u>\$ (63,671)</u></u>

MINISTRY OF CARING, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2013

NOTE 18: FAIR VALUE MEASUREMENTS

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

	2013			
	Total Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments				
US Treasury Securities	\$ 1,504,361	\$ 1,504,361	\$ -	\$ -
US Agency Securities	1,050,385	1,050,385	-	-
Corporate Bonds	1,689,655	-	1,689,655	-
Domestic Equities	7,994,292	7,994,292	-	-
International Equities	482,718	482,718	-	-
Total Investments	<u>12,721,411</u>	<u>11,031,756</u>	<u>1,689,655</u>	<u>-</u>
Beneficial Interest in Split- Interest Agreements				
Charitable Remainder Trusts	298,658	-	-	298,658
Charitable Perpetual Trusts	808,767	-	808,767	-
Total Split-Interest Agreements	<u>1,107,425</u>	<u>-</u>	<u>808,767</u>	<u>298,658</u>
Total Assets	<u><u>\$ 13,828,836</u></u>	<u><u>\$ 11,031,756</u></u>	<u><u>\$ 2,498,422</u></u>	<u><u>\$ 298,658</u></u>

MINISTRY OF CARING, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2013

NOTE 18: FAIR VALUE MEASUREMENTS - CONTINUED

	2012			
	Total Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments				
US Treasury Securities	\$ 1,161,938	\$ 1,161,938	\$ -	\$ -
US Agency Securities	1,163,971	1,163,971	-	-
Corporate Bonds	1,343,119	-	1,343,119	-
Domestic Equities	6,824,832	6,824,832	-	-
International Equities	307,295	307,295	-	-
Total Investments	<u>10,801,155</u>	<u>9,458,036</u>	<u>1,343,119</u>	<u>-</u>
Beneficial Interest in Split- Interest Agreements				
Charitable Remainder Trusts	245,492	-	-	245,492
Charitable Perpetual Trusts	<u>730,088</u>	<u>-</u>	<u>730,088</u>	<u>-</u>
Total Split-Interest Agreements	<u>975,580</u>	<u>-</u>	<u>730,088</u>	<u>245,492</u>
Total Assets	<u><u>\$ 11,776,735</u></u>	<u><u>\$ 9,458,036</u></u>	<u><u>\$ 2,073,207</u></u>	<u><u>\$ 245,492</u></u>

Assets measured at fair value on a recurring basis using significant unobservable inputs (level 3):

Beneficial Interest in Split-Interest Agreements	
Balance - January 1, 2012	\$ 223,280
Change in Value of Split-Interest Agreements	<u>22,212</u>
Balance - December 31, 2012	245,492
Change in Value of Split-Interest Agreements	<u>53,166</u>
Balance - December 31, 2013	<u><u>\$ 298,658</u></u>

The change in value of split-interest agreements is attributable to the revaluation of the Organization's beneficial interests based on applicable mortality tables and current and anticipated market conditions.

MINISTRY OF CARING, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2013

NOTE 19: COMMITMENTS AND CONTINGENCIES

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

SINGLE AUDIT



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*Independent Auditors' 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Ministry of Caring, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2013, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 4, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Ministry of Caring, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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 may exist that have not been identified.

To the Board of Directors
Ministry of Caring, Inc.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ministry of Caring, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The 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 4, 2014
Wilmington, Delaware



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***Independent Auditors' Report on Compliance for Each Major Program
and on Internal Control over Compliance Required by OMB Circular A-133***

To the Board of Directors
Ministry of Caring, Inc.

Report on Compliance for Each Major Federal Program

We have audited Ministry of Caring, Inc.'s compliance with the types of compliance requirements described in the *OMB Circular A-133 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, 2013. Ministry of Caring, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Ministry of Caring, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Ministry of Caring, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

To the Board of Directors
Ministry of Caring, Inc.

Opinion on Each Major Federal Program

In our opinion, Ministry of Caring, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 13-1. Our opinion on each major federal program is not modified with respect to these matters.

Ministry of Caring, Inc.'s response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Ministry of Caring, Inc.'s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of Ministry of Caring, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered Ministry of Caring, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Ministry of Caring, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with 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 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.

To the Board of Directors
Ministry of Caring, Inc.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Belfint, Lyons & Shuman, P.A.

September 4, 2014
Wilmington, Delaware

MINISTRY OF CARING, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2013

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA#</u>	<u>Expenditures</u>
Direct Programs		
<u>Department of Housing and Urban Development</u>		
Continuum of Care	14.267	\$ 2,023,161
Total Direct Programs		<u>2,023,161</u>
Pass-Through Programs		
<u>Department of Agriculture</u>		
State of Delaware - Department of Education		
Child and Adult Care Food Program	10.558	170,296
<u>Department of Housing and Urban Development</u>		
City of Wilmington		
Community Development Block Grants - Entitlement Grants	14.218	45,775
Housing Opportunities for Persons with AIDS	14.241	50,215
New Castle County		
Community Development Block Grants - Entitlement Grants	14.218	5,485
Emergency Shelter Grants	14.231	18,288
<u>Corporation for National and Community Service</u>		
State of Delaware - Department of Health and Social Services		
AmeriCorps - State Commissions	94.006	100,416
<u>Department of Homeland Security</u>		
Jewish Family Services of Delaware		
Emergency Food and Shelter Grant	97.024	73,973
<u>Department of Health and Human Services</u>		
Henrietta Johnson Medical Center		
Consolidated Health Centers Grant	93.224	76,676
First State Community Action Agency		
Community Services Block Grant	93.569	258,027
State of Delaware - Department of Health and Social Services		
Community Services Block Grant	93.569	<u>43,000</u>
Total Pass-Through Programs		<u>842,151</u>
Total Expenditures of Federal Awards		<u><u>\$ 2,865,312</u></u>

MINISTRY OF CARING, INC.
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2013

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Ministry of Caring, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

MINISTRY OF CARING, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2013

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of Auditors' Report Issued: Unqualified

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 Auditors' Report Issued on Compliance for
Major Programs: Unqualified

Any Audit Findings Disclosed that are
Required to be Reported in Accordance
with Section 510(a) of Circular A-133? ☐ Yes ☒ No

Identification of Major Programs:

CFDA Number(s)

Name of Federal Program

14.267

Continuum of Care

93.569

Community Services Block Grant

Dollar Threshold Used to Distinguish
Between Type A and Type B Programs: \$ 300,000

Auditee Qualified as Low-Risk Auditee? ☒ Yes ☐ No

MINISTRY OF CARING, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
DECEMBER 31, 2013

II. FINDINGS

A. Current Year Findings - Financial Statements

There were no current year findings.

B. Current Year Findings - Federal Awards

Finding 13-1

Continuum of Care - CFDA 14.267

Condition - We tested 62 files for individuals receiving benefits under the HUD funded Continuum of Care program. The 62 files included 25 individuals receiving job placement services under a supportive services contract. Of the 25 files in which federally funded job placement services were provided, 2 files lacked adequate documentation of eligibility.

Criteria - Organizations are required to assist homeless, at risk of homelessness, or chronically homeless participants as defined by Chapter 24 Section 578.3 of the Code of Federal Regulation.

Effect - Federal grant income received during the year by the Organization attributable to services provided to these 2 individuals totaled \$1,200.

Recommendation - We suggest that the Organization review existing procedures to ensure they are being implemented in a manner that reduces the risk of noncompliance to an acceptably low level.

C. Prior Year Findings

There were no findings reported in the prior year.

MINISTRY OF CARING, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
DECEMBER 31, 2013

CORRECTIVE ACTION PLAN

All staff received the HUD definition of homelessness and acceptable documentation sheet. Additionally, procedures and communication have been revised so that issues would not occur again.

SUPPLEMENTARY INFORMATION

MARY MOTHER OF HOPE HOUSE I FUND



BELFINT • LYONS • SHUMAN

Certified Public Accountants

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Independent Auditors' Report on Supplementary Information Required by DSHA

To the Board of Trustees
Ministry of Caring, Inc.

We have audited the financial statements of Ministry of Caring, Inc. as of and for the years ended December 31, 2013 and 2012, and our report thereon dated September 4, 2014, which expressed an unmodified opinion on those financial statements, appears on page 1. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole.

The supplementary information required by DSHA for Mary Mother of Hope House I Fund is presented for the 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

Belfint, Lyons & Shuman, P.A.

September 4, 2014
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, 2013**

ASSETS

Cash and Cash Equivalents	\$ 16,461
Pledges and Contributions Receivable	200
Grants Receivable	110,575
Prepaid Expenses	4,320
Due from Other Funds - Net	26,918
Investments	227,322
Property and Equipment - Net	<u>30,377</u>

TOTAL ASSETS

\$ 416,173

LIABILITIES

Accounts Payable	\$ 19,542
Accrued Expenses	<u>14,817</u>

TOTAL LIABILITIES

34,359

NET ASSETS

Unrestricted	365,715
Temporarily Restricted	<u>16,099</u>

TOTAL NET ASSETS

381,814

TOTAL LIABILITIES AND NET ASSETS

\$ 416,173

DSHA STATEMENT OF PROFIT AND LOSS

Project Name: Mary Mother of Hope House I Fund

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

Year Ending: 12/31/13

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	
	Total Rent Revenue		\$ -
VACANCIES 5200	Apartments	5220	
	Stores and Commercial	5240	
	Rental Concessions	5250	
	Garage and Parking Space	5270	
	Miscellaneous	5290	
	Total Vacancies		\$ -
	Net Rent Revenue (Rent Revenue less Vacancies)		\$ -
FINANCIAL REVENUE 5400	Nursing Homes / Assisted Living / Board & Care / Other Elderly Care / Coop / and Other Revenue	5300	
	Members Group Life Insurance Expense (Coops)	5320	
	Financial Revenue - Project Operations	5410	
	Revenue from Investments - Residual Receipts	5430	
	Revenue from Investments - Replacement Reserve	5440	
	Expiration of Gift Donor Restrictions (Non-Profits)	5460	
	Gifts (Non-Profits)	5470	10,346
	Revenue from Investments - Miscellaneous	5490	46,469
	Total Financial Revenue		\$ 56,815
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): Grants and Program Fees	5990	382,619
	Total Other Revenue		\$ 382,619
	Total Revenue		\$ 439,434
ADMINISTRATIVE EXPENSES 6200 6300	Conventions and Meetings	6203	6,210
	Management Consultants	6204	8,296
	Advertising and Marketing	6210	57
	Social Activity	6215	
	Other Renting Expenses	6250	
	Office Salaries	6310	217,605
	Office Expenses	6311	3,099
	Office of Model Apartment Rent	6312	

DSHA STATEMENT OF PROFIT AND LOSS - CONTINUED

ADMINISTRATIVE EXPENSES 6200 6300 (Continued)	Management Fee	6320	\$ -	
	Manager or Superintendent Salaries	6330		
	Administrative Rent Free Unit	6331		
	Legal Expenses - Project	6340		
	Auditing Expense - Project	6350	4,251	
	Bookkeeping Fees / Accounting Services	6351		
	Telephone and Answering Services	6360	2,776	
	Bad Debt Expense	6370		
	Miscellaneous Administrative Expenses	6390		
	Total Administrative Expenses			
				\$ 242,294
UTILITIES EXPENSE 6400	Fuel Oil / Coal	6420	1,956	
	Electricity (Lights and misc. power)	6450	9,884	
	Water	6451		
	Gas	6452		
	Sewer	6453	13,945	
	Total Utilities Expenses			
				\$ 25,785
OPERATING AND MAINTENANCE 6500	Janitor and Cleaning Payroll	6510		
	Janitorial Supplies	6515	3,377	
	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	23,652	
	Repairs Material	6541	5,911	
	Repairs Contracts	6542	28,303	
	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	14,949	
	Total Operating and Maintenance Expense			
				\$ 76,192
TAXES AND INSURANCE 6700	Real Estate Taxes	6710		
	Payroll Taxes (FICA) (Project's Share)	6711	14,281	
	Property and Liability Insurance (Hazard)	6720	5,605	
	Fidelity Bond Insurance	6721		
	Workers' Compensation	6722	6,033	
	Health Insurance and other Employee Benefits	6723	53,232	
	Miscellaneous Taxes, Licenses, Permits and Insurance	6790	2,425	
	Total Taxes and Insurance			
				\$ 81,576
	Total Operating Expenses			\$ 425,847

DSHA STATEMENT OF PROFIT AND LOSS - CONTINUED

	Net Operating Income			
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		
	Total Financial Expenses			\$ -
	Nursing Homes / Assisted Living / Board & Care / Other Elderly Care / Coop / and Other Expenses	6900		\$ -
	Total Cost of Operations before Depreciation			\$ 425,847
	Profit (Loss) before Depreciation		13,587	
DEPRECIATION 6600	Depreciation Expenses	6600	2,469	
	Amortization Expense	6610	-	
	Operating Profit or (Loss)			\$ 11,118
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		
	Net Entity Expenses			\$ -
	Profit or Loss (Net Income or Loss)			\$ 11,118
Part II*				
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.			\$	5,020
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, 2013**

UNRESTRICTED NET ASSET BALANCE - Beginning of Year	\$ 339,876
Change in Unrestricted Net Assets	<u>25,839</u>
UNRESTRICTED NET ASSET BALANCE - End of Year	<u><u>\$ 365,715</u></u>
TEMPORARILY RESTRICTED NET ASSET BALANCE - Beginning of Year	\$ 30,820
Change in Temporarily Restricted Net Assets	<u>(14,721)</u>
TEMPORARILY RESTRICTED NET ASSET BALANCE - End of Year	<u><u>\$ 16,099</u></u>

IX. AUDIT INTERNAL CONTROL/COMPLIANCE CHECKLIST

Development Name	Mary Mother of Hope House I Fund of Ministry of Caring, Inc.
DSHA/HUD/RD Number	DE-HDF-353-FY10-01
Fiscal Year End	December 31, 2013

Please answer the questions below. All answers should be based upon a review of procedures and/or actual test transactions. Any question answered "No" may be an indication of an adverse condition, which should be described in the audit report.

	Yes, No or N/A	Working Paper Reference
1. <u>Mortgage Status</u>		
A. Are payments on the mortgage(s) current?	N/A	
First Lien		
Second Lien		
Third Lien		
Fourth Lien		
Fifth Lien		
B. Has the mortgagor/grantee complied with the terms and conditions of the mortgage, modification, Regulatory, forbearance and/or workout agreement?	Yes	
C. If the workout agreement, Regulatory Agreement or subsequent correspondence requires periodic deposits of surplus cash, were such deposits made within 60 days after the end of the specified period?	N/A	
2. <u>Books and Records</u>		
A. Are a completed set of books and records maintained in a satisfactory manner?	Yes	WP# 1000-04
B. Does the mortgagor/grantee make frequent postings (at least monthly) to the ledger accounts?	Yes	WP# 1000-04
3. <u>Cash Activities</u>		
A. Are the cash receipts deposited in an account in the name of the development/program?	Yes	WP# 2001
B. Are all account balances fully federally insured?	No	WP# 2006
C. Are security deposits kept in an account separate and apart from all other funds of the development?	N/A	
D. Are security deposits kept in an interest bearing account and is the interest returned to the tenant or applied to a tenant balance?	N/A	

IX. AUDIT INTERNAL CONTROL/COMPLIANCE CHECKLIST

Examination Item Reference (cont.)

	Yes, No or N/A	Working Paper Reference
E. Does the balance in the security deposit account equal or exceed the liability? Note: The liability difference should include the accrued interest payable.	N/A	
F. Does the owner and/or the management agent have a fidelity bond in an amount at least equal to potential collections for two months which provides coverage for all employees handling cash?	N/A	
G. Did cash disbursements exclude payments for items listed below:		
(1) Legal expenses incurred in the sale of partnership interest or in connection with permanent closing?	N/A	
(2) The fee for the preparation of a partner's, shareholder's or individual's federal, state or local income tax returns?	N/A	
(3) Expenses for advice to an owner on tax consequences of foreclosure?	N/A	
(4) Reimbursement to the owners or affiliates for prior advances, capital expenditures and/or development acquisition costs while the mortgage/grant is in default, under modification, forbearance or provisional workout arrangements?	N/A	
(5) Were all disbursements from the operating account(s) made exclusively for operation or obligations of the development?	Yes	WP# 6903
(6) Were letter of credit fees paid for out of operations or obligations of the development?	N/A	

IX. AUDIT INTERNAL CONTROL/COMPLIANCE CHECKLIST

Examination Item Reference (cont.)

	<u>Yes, No or N/A</u>	<u>Working Paper Reference</u>
H. Were distributions made to, or on behalf of, the owners limited to those authorized by the Regulatory Agreement or the distributions in accordance with prior written approval of DSHA while the development was in a surplus cash position?	<u>N/A</u>	<u></u>
(1) Developments operating under a modification or forbearance agreement and/or a provisional workout arrangement are not in a "surplus cash" position for distributions.	<u>N/A</u>	<u></u>
I. Were residual receipts deposited with the mortgagee within 30 days after mortgagee request for such deposit? (HUD Section 8/202/236 projects only)	<u>N/A</u>	<u></u>
J. Were excess rental collections in Section 236 developments remitted to HUD each month?	<u>N/A</u>	<u></u>
K. Does the mortgagor/grantee have a formal rent collection policy and is it posted?	<u>N/A</u>	<u></u>
L. Is the collection policy uniformly enforced?	<u>N/A</u>	<u></u>
M. Do tenants' accounts receivable consist exclusively of amounts due from those other than employees?	<u>N/A</u>	<u></u>
N. Is there a formal procedure to write off bad debts?	<u>N/A</u>	<u></u>
O. Have write-offs of tenants' accounts been less than one percent of the gross rent?	<u>N/A</u>	<u></u>
P. Are accounts receivable other than tenants' receivable composed exclusively of amounts due from unrelated persons or firms?	<u>Yes</u>	<u>WP# 2321</u>
Q. Were there indications that payments for services, supplies or materials were substantially in excess of amounts normally paid for such services, etc.?	<u>No</u>	<u></u>

IX. AUDIT INTERNAL CONTROL/COMPLIANCE CHECKLIST

Examination Item Reference (cont.)

	Yes, No or N/A	Working Paper Reference
R. Were accounts payable remitted in a timely manner so as to not incur late charges/penalties?	Yes	WP# 4103
S. Has the mortgagee made the required deposits to the mortgage escrow accounts as required by the loan documents?	Yes	WP# 5012
4. <u>Management Compensation</u>		
A. Was compensation to the management agent limited to the amounts prescribed in the Management Agreement?	N/A	
B. Were development expenses paid in accordance with the management agreement (no expenses that management agents are required to pay charged to the development)?	N/A	
5. <u>Rents and Occupancy</u>		
A. On nonsubsidized tax credit developments, is the gross potential rental income from apartments equal to or less than that shown on the most recent rent schedule?	N/A	
B. On subsidized developments, are dwelling unit rents the same as those approved by DSHA/HUD/RD on the most recent rent schedule?	N/A	
6. <u>RD/HUD Subsidy Payments (Section 8/515 Developments Only)</u>		
A. Were the amounts requested from DSHA/HUD/RD adequately supported by the accounting records?	N/A	
B. Were subsidy receipts recorded in the proper accounts?	N/A	
C. Utility allowance payments were paid to residents within five days of receipt from DSHA/HUD/RD and in an amount equal to the corresponding utility allowance subsidy amounts received.	N/A	

Delaware State Housing Authority
COMPUTATION OF SURPLUS CASH AND DISTRIBUTIONS

Property Name <u>Mary Mother of Hope House I Fund</u>	Fiscal Period Ending <u>12/31/2013</u>	DSHA/HDF Number <u>DE-HDF-353-FY10-01</u>
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PART A. - COMPUTE SURPLUS CASH

Section 1 - Cash

1. Cash	\$ <u>16,461</u>	
2. Tenant Subsidy Vouchers due for Period Covered by Financial Statements	\$ _____	
3. Other (Describe) _____	\$ _____	
(A) Total Cash (Add Lines 1, 2, & 3)		\$ <u>16,461</u>

Section 2 - Current Obligations

4. Accrued Mortgage Interest Payables	\$ _____	
5. Delinquent Mortgage Principal Payments	\$ _____	
6. Delinquent Deposits to Reserve for Replacements	\$ _____	
7. Accounts Payable (due within 30 days)	\$ <u>19,542</u>	
8. Loans and Notes Payable (due within 30 days)	\$ _____	
9. Deficient Tax Insurance/Mortgage Insurance Escrow	\$ _____	
10. Accrued Expenses (not escrowed)	\$ <u>14,817</u>	
11. Paid Rents	\$ _____	
12. Tenant Security Deposits Liability	\$ _____	
13. Other (Describe) _____	\$ _____	
(B) Total Liabilities		\$ <u>34,359</u>
(C) Surplus Cash (Deficiency)		\$ <u>(17,898)</u>
Line (A) Minus Line (B)		

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

1. Surplus Cash		\$ <u>N/A</u>
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 Lesser of Line 1 or Line 2b)	\$ _____	
4. Amount due DSHA to be Applied to DSHA Permanent Loan (Line 1 minus Line 3)	\$ _____	

Prepared By: _____		Reviewed By: _____
Date		Date

SUPPLEMENTARY INFORMATION

ST. FRANCIS TRANSITIONAL RESIDENCE FUND



BELFINT • LYONS • SHUMAN

Certified Public Accountants

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Independent Auditors' Report on Supplementary Information Required by DSHA

To the Board of Trustees
Ministry of Caring, Inc.

We have audited the financial statements of Ministry of Caring, Inc. as of and for the years ended December 31, 2013 and 2012, and our report thereon dated September 4, 2014, which expressed an unmodified opinion on those financial statements, appears on page 1. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole.

The supplementary information required by DSHA for Saint Francis Transitional Residence Fund is presented for the 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

Belfint, Lyons & Shuman, P.A.

September 4, 2014
Wilmington, Delaware

**ST. FRANCIS TRANSITIONAL RESIDENCE FUND
OF MINISTRY OF CARING, INC.
DSHA PROJECT NO. DE 26B93-0325
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2013**

ASSETS

Cash and Cash Equivalents	\$ 7,724
Grants Receivable	91,420
Prepaid Expenses and Refundable Deposits	2,777
Escrow Accounts	27,897
Replacement Reserve	64,414
Investments	135,069
Property and Equipment - Net	124,342
Loan Origination Costs - Net	<u>5,046</u>

TOTAL ASSETS	<u><u>\$ 458,689</u></u>
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LIABILITIES

Accounts Payable	\$ 7,101
Accounts Payable - Due to Other Funds	408,724
Security Deposits	1,775
Mortgage Payable - DSHA	<u>344,446</u>

TOTAL LIABILITIES	762,046
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NET ASSETS

Unrestricted	<u>(303,357)</u>
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TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 458,689</u></u>
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DSHA STATEMENT OF PROFIT AND LOSS

Project Name: Saint Francis Transitional Residence Fund
Project Number: DE 26B93 - 0325

Year Ending: 12/31/13

Part I	Description of Account		Amount	
RENTAL INCOME 5100	Rent Revenue - Gross Potential	5120	\$ 11,516	
	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		
	Total Rent Revenue			\$ 11,516
VACANCIES 5200	Apartments	5220		
	Stores and Commercial	5240		
	Rental Concessions	5250		
	Garage and Parking Space	5270		
	Miscellaneous	5290		
	Total Vacancies			\$ -
	Net Rent Revenue (Rent Revenue less Vacancies)			\$ 11,516
	Nursing Homes / Assisted Living / Board & Care / Other Elderly Care / Coop / and Other Revenue	5300		
	Members Group Life Insurance Expense (Coops)	5320		
FINANCIAL REVENUE 5400	Financial Revenue - Project Operations	5410		
	Revenue from Investments - Residual Receipts	5430	32	
	Revenue from Investments - Replacement Reserve	5440	172	
	Expiration of Gift Donor Restrictions (Non-Profits)	5460		
	Gifts (Non-Profits)	5470	250	
	Revenue from Investments - Miscellaneous	5490	27,655	
	Total Financial Revenue			\$ 28,109
OTHER REVENUE 5900	Laundry and Vending Revenue	5910	24	
	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	207,397	
	Total Other Revenue			\$ 207,421
	Total Revenue			\$ 247,046
ADMINISTRATIVE EXPENSES 6200 6300	Conventions and Meetings	6203	61	
	Management Consultants	6204	1,510	
	Advertising and Marketing	6210	57	
	Social Activity	6215		
	Other Renting Expenses	6250		
	Office Salaries	6310	86,586	
	Office Expenses	6311	599	
	Office of Model Apartment Rent	6312		

DSHA STATEMENT OF PROFIT AND LOSS - CONTINUED

ADMINISTRATIVE EXPENSES 6200 6300 (Continued)	Management Fee	6320	\$ 11,451	
	Manager or Superintendent Salaries	6330		
	Administrative Rent Free Unit	6331		
	Legal Expenses - Project	6340		
	Auditing Expense - Project	6350	4,251	
	Bookkeeping Fees / Accounting Services	6351		
	Telephone and Answering Services	6360	731	
	Bad Debt Expense	6370		
	Miscellaneous Administrative Expenses	6390		
	Total Administrative Expenses			\$ 105,246
UTILITIES EXPENSE 6400	Fuel Oil / Coal	6420	1,324	
	Electricity (Lights and misc. power)	6450	1,886	
	Water	6451		
	Gas	6452		
	Sewer	6453	2,203	
	Total Utilities Expenses			\$ 5,413
OPERATING AND MAINTENANCE 6500	Janitor and Cleaning Payroll	6510		
	Janitorial Supplies	6515	793	
	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	11,956	
	Repairs Material	6541	13,005	
	Repairs Contracts	6542	83	
	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		
	Total Operating and Maintenance Expense			\$ 25,837
TAXES AND INSURANCE 6700	Real Estate Taxes	6710		
	Payroll Taxes (FICA) (Project's Share)	6711	5,270	
	Property and Liability Insurance (Hazard)	6720	6,052	
	Fidelity Bond Insurance	6721		
	Workers' Compensation	6722	2,398	
	Health Insurance and other Employee Benefits	6723	510	
	Miscellaneous Taxes, Licenses, Permits and Insurance	6790	-	
	Total Taxes and Insurance			\$ 14,230
	Total Operating Expenses			\$ 150,726

DSHA STATEMENT OF PROFIT AND LOSS - CONTINUED

	Net Operating Income		
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	
	Total Financial Expenses		\$ -
	Nursing Homes / Assisted Living / Board & Care / Other Elderly Care / Coop / and Other Expenses	6900	117,108
	Total Cost of Operations before Depreciation		\$ 267,834
	Profit (Loss) before Depreciation		(20,788)
DEPRECIATION 6600	Depreciation Expenses	6600	16,235
	Amortization Expense	6610	239
	Operating Profit or (Loss)		\$ (37,262)
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	
	Net Entity Expenses		\$ -
	Profit or Loss (Net Income or Loss)		\$ (37,262)
Part II*			
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.		\$	5,964
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 TRANSITIONAL RESIDENCE FUND
OF MINISTRY OF CARING, INC.
DSHA PROJECT NO. DE-26B93-0325
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2013**

UNRESTRICTED NET ASSET BALANCE - Beginning of Year	\$ (266,095)
Change in Unrestricted Net Assets	<u>(37,262)</u>
UNRESTRICTED NET ASSET BALANCE - End of Year	<u><u>\$ (303,357)</u></u>
TEMPORARILY RESTRICTED NET ASSET BALANCE - Beginning of Year	\$ -
Change in Temporarily Restricted Net Assets	<u>-</u>
TEMPORARILY RESTRICTED NET ASSET BALANCE - End of Year	<u><u>\$ -</u></u>

IX. AUDIT INTERNAL CONTROL/COMPLIANCE CHECKLIST

Development Name	Saint Francis Transitional Residence Fund of Ministry of Caring, Inc.
DSHA/HUD/RD Number	DE26B93-0325
Fiscal Year End	December 31, 2013

Please answer the questions below. All answers should be based upon a review of procedures and/or actual test transactions. Any question answered "No" may be an indication of an adverse condition, which should be described in the audit report.

	Yes, No or N/A	Working Paper Reference
1. <u>Mortgage Status</u>		
A. Are payments on the mortgage(s) current?	N/A	
First Lien		
Second Lien		
Third Lien		
Fourth Lien		
Fifth Lien		
B. Has the mortgagor/grantee complied with the terms and conditions of the mortgage, modification, Regulatory, forbearance and/or workout agreement?	Yes	
C. If the workout agreement, Regulatory Agreement or subsequent correspondence requires periodic deposits of surplus cash, were such deposits made within 60 days after the end of the specified period?	N/A	
2. <u>Books and Records</u>		
A. Are a completed set of books and records maintained in a satisfactory manner?	Yes	WP# 1000-09
B. Does the mortgagor/grantee make frequent postings (at least monthly) to the ledger accounts?	Yes	WP# 1000-09
3. <u>Cash Activities</u>		
A. Are the cash receipts deposited in an account in the name of the development/program?	Yes	WP# 2001
B. Are all account balances fully federally insured?	No	WP# 2006
C. Are security deposits kept in an account separate and apart from all other funds of the development?	Yes	WP# 2010.22
D. Are security deposits kept in an interest bearing account and is the interest returned to the tenant or applied to a tenant balance?	No	WP# 4107

IX. AUDIT INTERNAL CONTROL/COMPLIANCE CHECKLIST

Examination Item Reference (cont.)

	<u>Yes, No or N/A</u>	<u>Working Paper Reference</u>
E. Does the balance in the security deposit account equal or exceed the liability? Note: The liability difference should include the accrued interest payable.	<u>Yes</u>	<u>WP# 4107</u>
F. Does the owner and/or the management agent have a fidelity bond in an amount at least equal to potential collections for two months which provides coverage for all employees handling cash?	<u>Yes</u>	<u>WP# 8001</u>
G. Did cash disbursements exclude payments for items listed below:		
(1) Legal expenses incurred in the sale of partnership interest or in connection with permanent closing?	<u>N/A</u>	<u></u>
(2) The fee for the preparation of a partner's, shareholder's or individual's federal, state or local income tax returns?	<u>N/A</u>	<u></u>
(3) Expenses for advice to an owner on tax consequences of foreclosure?	<u>N/A</u>	<u></u>
(4) Reimbursement to the owners or affiliates for prior advances, capital expenditures and/or development acquisition costs while the mortgage/grant is in default, under modification, forbearance or provisional workout arrangements?	<u>N/A</u>	<u></u>
(5) Were all disbursements from the operating account(s) made exclusively for operation or obligations of the development?	<u>Yes</u>	<u>WP# 6903</u>
(6) Were letter of credit fees paid for out of operations or obligations of the development?	<u>N/A</u>	<u></u>

IX. AUDIT INTERNAL CONTROL/COMPLIANCE CHECKLIST

Examination Item Reference (cont.)

	<u>Yes, No or N/A</u>	<u>Working Paper Reference</u>
H. Were distributions made to, or on behalf of, the owners limited to those authorized by the Regulatory Agreement or the distributions in accordance with prior written approval of DSHA while the development was in a surplus cash position?	<u>N/A</u>	<u></u>
(1) Developments operating under a modification or forbearance agreement and/or a provisional workout arrangement are not in a "surplus cash" position for distributions.	<u>N/A</u>	<u></u>
I. Were residual receipts deposited with the mortgagee within 30 days after mortgagee request for such deposit? (HUD Section 8/202/236 projects only)	<u>N/A</u>	<u></u>
J. Were excess rental collections in Section 236 developments remitted to HUD each month?	<u>N/A</u>	<u></u>
K. Does the mortgagor/grantee have a formal rent collection policy and is it posted?	<u>Yes</u>	<u>WP# 8001</u>
L. Is the collection policy uniformly enforced?	<u>Yes</u>	<u>WP# 8001</u>
M. Do tenants' accounts receivable consist exclusively of amounts due from those other than employees?	<u>N/A</u>	<u></u>
N. Is there a formal procedure to write off bad debts?	<u>No</u>	<u>WP# 8001</u>
O. Have write-offs of tenants' accounts been less than one percent of the gross rent?	<u>Yes</u>	<u>WP# 8001</u>
P. Are accounts receivable other than tenants' receivable composed exclusively of amounts due from unrelated persons or firms?	<u>Yes</u>	<u>WP# 2321</u>
Q. Were there indications that payments for services, supplies or materials were substantially in excess of amounts normally paid for such services, etc.?	<u>No</u>	<u></u>

IX. AUDIT INTERNAL CONTROL/COMPLIANCE CHECKLIST

Examination Item Reference (cont.)

	Yes, No or N/A	Working Paper Reference
R. Were accounts payable remitted in a timely manner so as to not incur late charges/penalties?	Yes	WP# 4103
S. Has the mortgagee made the required deposits to the mortgage escrow accounts as required by the loan documents?	Yes	WP# 5010
4. <u>Management Compensation</u>		
A. Was compensation to the management agent limited to the amounts prescribed in the Management Agreement?	N/A	
B. Were development expenses paid in accordance with the management agreement (no expenses that management agents are required to pay charged to the development)?	N/A	
5. <u>Rents and Occupancy</u>		
A. On nonsubsidized tax credit developments, is the gross potential rental income from apartments equal to or less than that shown on the most recent rent schedule?	N/A	
B. On subsidized developments, are dwelling unit rents the same as those approved by DSHA/HUD/RD on the most recent rent schedule?	N/A	
6. <u>RD/HUD Subsidy Payments (Section 8/515 Developments Only)</u>		
A. Were the amounts requested from DSHA/HUD/RD adequately supported by the accounting records?	N/A	
B. Were subsidy receipts recorded in the proper accounts?	N/A	
C. Utility allowance payments were paid to residents within five days of receipt from DSHA/HUD/RD and in an amount equal to the corresponding utility allowance subsidy amounts received.	N/A	

Delaware State Housing Authority
COMPUTATION OF SURPLUS CASH AND DISTRIBUTIONS

Property Name <u>Saint Francis Transitional Residence Fund</u>	Fiscal Period Ending <u>12/31/2013</u>	DSHA/HDF Number <u>DE 26B93-0325</u>
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PART A. - COMPUTE SURPLUS CASH

Section 1 - Cash

1. Cash	\$ <u>7,724</u>	
2. Tenant Subsidy Vouchers due for Period Covered by Financial Statements	\$ _____	
3. Other (Describe) _____	\$ _____	
(A) Total Cash (Add Lines 1, 2, & 3)		\$ <u>7,724</u>

Section 2 - Current Obligations

4. Accrued Mortgage Interest Payables	\$ _____	
5. Delinquent Mortgage Principal Payments	\$ _____	
6. Delinquent Deposits to Reserve for Replacements	\$ _____	
7. Accounts Payable (due within 30 days)	\$ <u>414,596</u>	
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	\$ <u>1,775</u>	
13. Other (Describe) _____	\$ _____	
(B) Total Liabilities		\$ <u>416,371</u>
(C) Surplus Cash (Deficiency)		\$ <u>(408,647)</u>
Line (A) Minus Line (B)		

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

1. Surplus Cash		\$ <u>N/A</u>
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)	\$ _____	
5. Amount available for distribution (the Lesser of Line 1 or Line 2b)	\$ _____	
6. Amount due DSHA to be Applied to DSHA Permanent Loan (Line 1 minus Line 3)	\$ _____	

Prepared By: _____		Reviewed By: _____
Date		Date

SUPPLEMENTARY INFORMATION

EMMANUEL DINING ROOM FUND



BELFINT • LYONS • SHUMAN

Certified Public Accountants

www.belfint.com

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

To the Board of Trustees
Ministry of Caring, Inc.

We have audited the financial statements of Ministry of Caring, Inc. as of and for the years ended December 31, 2013 and 2012, and our report thereon dated September 4, 2014, which expressed an unmodified opinion on those financial statements, appears on page 1. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole.

The supplementary information required by United Way of Delaware for Emmanuel Dining Room Fund is presented for the 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

Belfint, Lyons & Shuman, P.A.

September 4, 2014
Wilmington, Delaware

**EMMANUEL DINING ROOM FUND
OF MINISTRY OF CARING, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2013**

ASSETS

Cash and Cash Equivalents	\$ 31,455
Grants Receivable	46,630
Prepaid Expenses and Other Current Assets	4,177
Investments	446,037
Property and Equipment - Net	78,168
Due from Other Funds	<u>188,927</u>

TOTAL ASSETS

\$ 795,394

LIABILITIES

Accounts Payable	\$ 14,801
Accrued Expenses	16,890
Deferred Revenue	<u>1,320</u>

TOTAL LIABILITIES

33,011

NET ASSETS

Unrestricted	579,489
Temporarily Restricted	95,657
Permanently Restricted	<u>87,237</u>

TOTAL NET ASSETS

762,383

TOTAL LIABILITIES AND NET ASSETS

\$ 795,394

**EMMANUEL DINING ROOM FUND
OF MINISTRY OF CARING, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2013**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
REVENUE AND OTHER SUPPORT				
Contributions and Fundraising	\$ 437,747	\$ -	\$ -	\$ 437,747
Contributed Rent	63,000	-	-	63,000
United Way of Delaware - Allocation	60,043	-	-	60,043
United Way - Designation and Personal Giving	45,385	-	-	45,385
Government Grants	93,260	-	-	93,260
Interest and Dividends	5,777	3,469	-	9,246
Net Gains on Investments	51,186	30,731	-	81,917
Loss on Disposal of Property and Equipment	<u>(1,803)</u>	<u>-</u>	<u>-</u>	<u>(1,803)</u>
 Total Revenue	 754,595	 34,200	 -	 788,795
 Net Assets Released from Restrictions	 <u>21,620</u>	 <u>(21,620)</u>	 <u>-</u>	 <u>-</u>
 TOTAL REVENUE AND OTHER SUPPORT	 <u>776,215</u>	 <u>12,580</u>	 <u>-</u>	 <u>788,795</u>
 EXPENSES	 <u>551,026</u>	 <u>-</u>	 <u>-</u>	 <u>551,026</u>
 CHANGE IN NET ASSETS BEFORE ASSISTANCE FROM (TO) OTHER FUNDS	 225,189	 12,580	 -	 237,769
 ASSISTANCE FROM (TO) OTHER FUNDS				
Assistance from (to) Other Funds - Net	<u>(259,046)</u>	<u>-</u>	<u>-</u>	<u>(259,046)</u>
 CHANGE IN NET ASSETS	 (33,857)	 12,580	 -	 (21,277)
 NET ASSETS - Beginning of Year	 <u>613,346</u>	 <u>83,077</u>	 <u>87,237</u>	 <u>783,660</u>
 NET ASSETS - End of Year	 <u>\$ 579,489</u>	 <u>\$ 95,657</u>	 <u>\$ 87,237</u>	 <u>\$ 762,383</u>

SUPPLEMENTARY INFORMATION

MINISTRY OF CARING GUILD



BELFINT • LYONS • SHUMAN
Certified Public Accountants

www.belfint.com

*Independent Auditors' Report on Supplementary Information -
Ministry of Caring Guild*

To the Board of Trustees
Ministry of Caring, Inc.

We have audited the financial statements of Ministry of Caring, Inc. as of and for the years ended December 31, 2013 and 2012, and our report thereon dated September 4, 2014, which expressed an unmodified opinion on those financial statements, appears on page 1. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole.

The supplementary information for Ministry of Caring Guild is presented for the 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

Belfint, Lyons & Shuman, P.A.

September 4, 2014
Wilmington, Delaware

**MINISTRY OF CARING GUILD
OF MINISTRY OF CARING, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
ASSETS		
Cash and Cash Equivalents	\$ 131,354	\$ 32,838
Prepaid Expenses and Other Current Assets	<u>-</u>	<u>755</u>
TOTAL ASSETS	<u><u>\$ 131,354</u></u>	<u><u>\$ 33,593</u></u>
LIABILITIES		
Accounts Payable and Other Current Liabilities	\$ 2,250	\$ 1,944
Due to Other Funds	5,106	4,401
Pledged to Ministry of Caring Programs	<u>99,611</u>	<u>17,405</u>
TOTAL LIABILITIES	106,967	23,750
NET ASSETS		
Unrestricted	<u>24,387</u>	<u>9,843</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 131,354</u></u>	<u><u>\$ 33,593</u></u>

**MINISTRY OF CARING GUILD
OF MINISTRY OF CARING, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
REVENUE AND OTHER SUPPORT		
Auction	\$ 110,387	\$ 162,561
Eleganza Fashion Show	90,060	21,646
Voices of Caring	36,244	9,285
Recognition Dinner	5,600	9,615
Beauty and Blessed	5,842	6,323
March Madness	4,972	-
Mardi Gras	1,000	-
Membership Income and Other Contributions	2,771	6,772
Interest Income	4	17
Assistance from Ministry of Caring, Inc.	<u>4,401</u>	<u>-</u>
TOTAL REVENUE AND OTHER SUPPORT	<u>261,281</u>	<u>216,219</u>
FUNDRAISING EXPENSES		
Auction	24,857	33,130
Eleganza Fashion Show	13,931	11,340
Voices of Caring	4,164	2,110
Recognition Dinner	182	1,387
General Expenses	3,938	2,939
March Madness	858	-
Contributions and Assistance to Ministry of Caring, Inc.	<u>198,807</u>	<u>161,192</u>
TOTAL FUNDRAISING EXPENSES	<u>246,737</u>	<u>212,098</u>
CHANGE IN UNRESTRICTED NET ASSETS	14,544	4,121
UNRESTRICTED NET ASSETS - Beginning of Year	<u>9,843</u>	<u>5,722</u>
UNRESTRICTED NET ASSETS - End of Year	<u><u>\$ 24,387</u></u>	<u><u>\$ 9,843</u></u>