CARITAS OF AUSTIN
(A Nonprofit Corporation)
CONSOLIDATED FINANCIAL STATEMENTS WITH SUPPLEMENTARY INFORMATION AND INDEPENDENT AUDITORS' REPORT

SEPTEMBER 30, 2024 AND 2023

CARITAS OF AUSTIN
(A Nonprofit Corporation)

Contents

FINANCIAL SECTION

ATCHLEY & ASSOCIATES LLP
CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

INDEPENDENT AUDITORS' REPORT

Board of Directors
Caritas of Austin
Austin, Texas

Opinion

We have audited the accompanying consolidated financial statements of Caritas of Austin and related entity (collectively, Caritas), which comprise the consolidated statements of financial position as of September 30, 2024 and 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Caritas as of September 30, 2024 and 2023, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Caritas and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Caritas' ability to continue as going concerns within one year after the date that the consolidated financial statements are issued.

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Auditors' Responsibility for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards,* we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Caritas' internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Caritas' ability to continue as going concerns for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated February 12, 2025, on our consideration of Caritas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Caritas' 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 Caritas' internal control over financial reporting and compliance.

Atchley & Associates LLP

Austin, Texas
February 12, 2025

CARITAS OF AUSTIN
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2024 AND 2023

	2024	2023
ASSETS		
Cash and cash equivalents	$ 950,450	$ 1,995,762
Investments	239,672	28,970
Pledges receivable, net	520,454	338,859
Grants and other receivables, net	2,461,478	2,300,245
Prepaid expenses and other assets	450,785	303,984
Investment in joint venture	6,422,262	6,422,262
Right of use assets	119,015	188,164
Property and equipment, net	3,608,891	3,670,866
Total assets	$ 14,773,007	$ 15,249,112
LIABILITIES AND NET ASSETS		
Accounts payable	$ 282,627	$ 559,988
Accrued expenses and other current liabilities	609,879	509,390
Deferred revenue	25,000	32,593
Lease liability	119,015	188,164
Note payable - mortgage	1,989,380	2,074,939
Note payable - grant	6,422,262	6,422,262
Total liabilities	9,448,163	9,787,336
Net assets		
Without donor restrictions	4,739,624	4,266,463
With donor restrictions	585,220	1,195,313
Total net assets	5,324,844	5,461,776
Total liabilities and net assets	$ 14,773,007	$ 15,249,112

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

CARITAS OF AUSTIN
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Governmental grant revenue	$ 14,968,767	$ -	$ 14,968,767
Contribution revenue	3,006,060	690,300	3,696,360
Contributed nonfinancial assets	943,060	-	943,060
Special events income	689,260	-	689,260
Expansion revenue	-	-	-
Rental income	569,292	-	569,292
Investment return, net	100,730	-	100,730
Other revenue	182,031	-	182,031
Net assets released from restrictions	1,300,393	(1,300,393)	-
Total support and revenue	21,759,593	(610,093)	21,149,500
Expenses			
Program services:			
Best Single Source Plus collaboration	5,296,385	-	5,296,385
Refugee employment	253,364	-	253,364
Supportive housing	9,177,881	-	9,177,881
Employment services	694,739	-	694,739
Food services	853,169	-	853,169
Veterans services	1,781,386	-	1,781,386
Education	203,842	-	203,842
Other program support	143,171	-	143,171
Total program services	18,403,937	-	18,403,937
Support services:			
Fundraising	1,398,787	-	1,398,787
General and administrative	1,483,708	-	1,483,708
Total support services	2,882,495	-	2,882,495
Total expenses	21,286,432	-	21,286,432
Change in net assets	473,161	(610,093)	(136,932)
Net assets at beginning of year	4,266,463	1,195,313	5,461,776
Net assets at end of year	$ 4,739,624	$ 585,220	$ 5,324,844

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

CARITAS OF AUSTIN
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Governmental grant revenue	$ 12,980,174	$ -	$ 12,980,174
Contribution revenue	3,386,971	231,768	3,618,739
Contributed nonfinancial assets	499,449	-	499,449
Special events income	310,222	-	310,222
Expansion revenue	-	8,757	8,757
Rental income	497,267	-	497,267
Investment return, net	68,802	-	68,802
Other revenue	196,165	-	196,165
Net assets released from restrictions	669,973	(669,973)	-
Total support and revenue	18,609,023	(429,448)	18,179,575
Expenses			
Program services:			
Best Single Source Plus collaboration	5,135,758	-	5,135,758
Refugee employment	1,720,887	-	1,720,887
Supportive housing	6,413,314	-	6,413,314
Employment services	475,845	-	475,845
Food services	993,739	-	993,739
Veterans services	1,140,259	-	1,140,259
Education	163,556	-	163,556
Other program support	409,687	-	409,687
Total program services	16,453,045	-	16,453,045
Support services:			
Fundraising	1,068,847	-	1,068,847
General and administrative	1,897,137	-	1,897,137
Total support services	2,965,984	-	2,965,984
Total expenses	19,419,029	-	19,419,029
Change in net assets	(810,006)	(429,448)	(1,239,454)
Net assets at beginning of year	5,076,469	1,624,761	6,701,230
Net assets at end of year	$ 4,266,463	$ 1,195,313	$ 5,461,776

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

CARITAS OF AUSTIN
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2024

	Program Services										
	Best Single Source Plus Collaboration	Refugee Employment	Supportive Housing	Employment Services	Food Services	Veterans Services	Education	Other Program Support	Fundraising	General and Administrative	Total
Direct client assistance											
Financial assistance	$ -	$ 36,508	$ 9,467	$ 4,758	$ 1,920	$ -	$ -	$ -	$ -	$ 31	$ 52,684
Food	1,150	-	9,210	-	176,560	-	-	-	-	216	187,136
Other	279,512	1,502	1,100,864	18,725	-	126,574	17,462	-	-	72	1,544,711
Rent	2,784,208	-	1,889,538	-	-	599,544	-	-	-	48	5,273,338
Utility	272,498	-	239,482	1,825	-	39,437	-	-	-	-	553,242
Total direct client assistance	3,337,368	38,010	3,248,561	25,308	178,480	765,555	17,462	-	-	367	7,611,111
Program supporting services											
Bad debt expenses	-	-	-	-	-	-	-	-	2,500	12,123	14,623
Communication	7,748	3,122	85,000	9,195	6,438	14,202	2,989	1,811	6,663	8,135	145,303
Contributed nonfinancial assets	212,940	14,651	368,100	27,932	190,335	71,620	8,194	-	-	49,288	943,060
Depreciation	-	-	-	-	-	-	-	-	-	128,315	128,315
Insurance	-	-	-	-	-	-	-	-	-	105,855	105,855
Occupancy costs	30,368	10,711	312,353	29,661	41,428	49,294	12,878	5,830	1,359	213,401	707,283
Other expenses	1,859	68	1,820	212	852	322	81	953	26,622	122,766	155,555
Payroll taxes and benefits	89,408	30,348	836,385	98,735	79,149	130,914	23,953	21,464	162,834	72,661	1,545,851
Printing, postage, and supplies	16,695	5,411	174,811	15,650	27,041	25,619	8,695	4,691	75,757	110,130	464,500
Professional and contract services	1,203,903	16,996	550,628	66,751	35,801	121,643	22,555	8,789	146,764	278,979	2,452,809
Promotional and development	787	-	-	-	-	-	-	116	244,158	328	245,389
Salaries	387,448	133,507	3,471,112	412,156	288,681	578,549	104,438	89,883	725,733	354,937	6,546,444
Travel and vehicle expenses	7,861	540	129,111	9,139	4,964	23,668	2,597	9,634	6,397	26,423	220,334
Total expenses	$ 5,296,385	$ 253,364	$ 9,177,881	$ 694,739	$ 853,169	$ 1,781,386	$ 203,842	$ 143,171	$ 1,398,787	$ 1,483,708	$ 21,286,432

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

CARITAS OF AUSTIN
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2023

	Program Services										
	Best Single Source Plus Collaboration	Refugee Employment	Supportive Housing	Employment Services	Food Services	Veterans Services	Education	Other Program Support	Fundraising	General and Administrative	Total
Direct client assistance											
Financial assistance	$ -	$ 1,441,458	$ 1,701	$ 6,343	$ 1,352	$ -	$ -	$ -	$ -	$ -	$ 1,450,854
Food	2,091	-	641	-	146,890	-	-	-	-	-	149,622
Other	338,869	2,037	422,106	16,937	4,699	91,550	13,085	-	11,695	-	900,978
Rent	2,636,983	-	1,821,812	-	-	439,630	-	-	-	-	4,898,425
Utility	270,828	-	162,708	-	-	15,230	720	-	-	-	449,486
Total direct client assistance	3,248,771	1,443,495	2,408,968	23,280	152,941	546,410	13,805	-	11,695	-	7,849,365
Program supporting services											
Bad debt expense	-	-	-	-	-	1,591	-	-	57,500	25,204	84,295
Communication	9,972	4,035	53,051	6,588	6,373	13,915	2,716	5,221	5,910	23,860	131,641
Contributed nonfinancial assets	928	5,324	76,217	13,941	334,541	26,185	535	5,172	1,405	35,201	499,449
Depreciation	-	-	-	-	-	-	-	-	-	123,470	123,470
Insurance	-	-	-	-	-	-	-	-	-	61,949	61,949
Occupancy costs	29,301	17,802	206,667	11,021	31,976	18,578	9,291	102,556	148	196,762	624,102
Other expenses	2,196	-	-	-	1,813	151	1,004	-	12,314	103,805	121,283
Payroll taxes and benefits	94,693	43,764	575,163	65,301	74,673	68,779	18,768	50,965	121,313	191,341	1,304,760
Printing, postage, and supplies	11,175	8,868	105,293	5,623	37,742	6,409	4,651	11,828	61,226	6,211	259,026
Professional and contract services	1,320,621	24,017	617,046	53,464	99,280	74,903	30,948	40,010	81,801	377,717	2,719,807
Promotional and development	295	12	182	4	34	22	21	87	159,657	19,047	179,361
Salaries	404,034	173,052	2,271,691	293,901	250,850	374,453	81,273	189,498	550,836	717,006	5,306,594
Travel and vehicle expenses	13,772	518	99,036	2,722	3,516	8,863	544	4,350	5,042	15,564	153,927
Total expenses	$ 5,135,758	$ 1,720,887	$ 6,413,314	$ 475,845	$ 993,739	$ 1,140,259	$ 163,556	$ 409,687	$ 1,068,847	$ 1,897,137	$ 19,419,029

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

CARITAS OF AUSTIN
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	2024	2023
Cash flows from operating activities:		
Change in net assets	$ (136,932)	$ (1,239,454)
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Depreciation expense	128,315	123,470
Net realized and unrealized losses (gains) on investments	(101,008)	(73,743)
Changes in operating assets and liabilities:		
Pledges receivable	(181,595)	613,402
Grants and other receivables	(161,233)	282,454
Prepaid expenses and other assets	(146,801)	3,871
Accounts payable	(277,361)	(20,692)
Accrued expenses and other current liabilities	100,489	121,434
Deferred revenue	(7,593)	25,265
Net cash provided (used) by operating activities	(783,719)	(163,993)
Cash flows from investing activities:		
Proceeds from the sale of investments	90,384	70,767
Purchase of investments	(200,078)	-
Investment in joint venture	-	(6,422,262)
Purchase of property and equipment	(66,340)	(75,451)
Net cash provided (used) by investing activities	(176,034)	(6,426,946)
Cash flows from financing activities:		
Proceeds from the issuance of debt	-	6,422,262
Payments on debt	(85,559)	(81,891)
Net cash provided (used) by financing activities	(85,559)	6,340,371
Net increase (decrease) in cash and cash equivalents	(1,045,312)	(250,568)
Beginning cash and cash equivalents	1,995,762	2,246,330
Ending cash and cash equivalents	$ 950,450	$ 1,995,762
Cash paid for interest and taxes:		
Interest	$ 80,902	$ 84,571
Taxes	$ -	$ -

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

1. ORGANIZATION

Caritas of Austin (Caritas), a nonprofit organization incorporated in 1977, was founded in 1964 with the vision that all people deserve to have their basic needs met. Today Caritas of Austin intersects with thousands of people who are experiencing poverty and homelessness. Services focused on housing, food, education, and employment enable people to move toward stability and self-sufficiency. The following is an overview of Caritas' programs:

Best Single Source Plus (BSS Plus) Collaboration program is a collaboration among twelve of the Austin and Travis County area's leading nonprofit service providers, trading competition for collaboration to benefit those most in need. Participating agencies include: Any Baby Can, Caritas of Austin, Catholic Charities of Central Texas, Family Eldercare, Foundation for the Homeless, Front Steps, Goodwill Industries of Central Texas, Lifeworks, Meals on Wheels, SAFE Alliance, Salvation Army, and Vivent Health (formerly AIDS Services of Austin). The BSS Plus program provides comprehensive case management and basic needs (rent, mortgage, utility assistance and housing supports) and services to eligible individuals and families in the Travis County and Austin area. The program's primary purpose is establishing housing stability, and preventing and ending homelessness. Caritas of Austin is the fiscal and administrative agent for BSS Plus and houses a dedicated Program Manager and Coordinator for the project.

Refugee Services for documented refugees begins with their arrival in Austin and includes employment assistance and connection to other community resources. The goal of these services is to help refugees transition to life in the United States and achieve self-sufficiency within their first six months of arrival. Refugees served are approved for resettlement by the United States government.

Supportive Housing programs provide permanent housing with on-site and off-site supportive services for individuals who have experienced long-term homelessness and who are recovering from the trauma they have experienced while being homeless.

Employment Services program provides clients opportunities to find and keep jobs in order to support themselves and their families. Clients receive assistance with short-term job placement as well as long-term career development. Services include: pre-employment preparation such as job readiness training, vocational certification, ESL classes, and assistance with professional recertification; referral and placement; work authorization; logistical support; new hire paperwork assistance; and post-hire support.

Food Services consist of the Caritas Community Kitchen and Food Pantry. Each weekday the Caritas Community Kitchen serves a hot, nutritious lunch to over 300 people, no questions asked. The Food Pantry provides groceries and hygiene items to individuals and families already receiving services from Caritas of Austin.

1. ORGANIZATION - CONTINUED

The Supportive Services for Veteran Families program is designed to increase housing stability for veteran families that are at-risk of homelessness or experiencing homelessness. Supportive services include outreach, case management, help in obtaining VA benefits, emergency financial assistance, and assistance obtaining and coordinating other public benefits.

Education classes provide clients with opportunities to enrich their lives and support their path to self-sufficiency. The program takes a holistic approach by teaching the participants the tools they will need to achieve their personal and financial goals. Caritas' education classes focus on three areas: life skills, money management, and workforce development.

Other Program Support includes classes for highly trained volunteers that mentor persons experiencing poverty and newly-arrived documented refugees as these persons move from crisis-driven lives to stable, self-sufficient lives. It also includes program eligibility screening, scheduling appointments with program staff, and referring individuals to community resources.

9027 Northgate Blvd LLC (NorthGate) was formed December 8, 2020, as a Texas limited liability company, wholly owned by Caritas. NorthGate's purpose is to hold title to real estate, collecting rent and other income therefrom, and turning over the entire amount thereof, less expenses, to Caritas.

These accompanying consolidated financial statements include the operations of Caritas and NorthGate (collectively referred to as Caritas).

Consolidated Financial Statements - In accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities Consolidation,* the accompanying consolidated financial statements include the financial statements of Caritas. All interorganizational transactions have been eliminated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - Caritas' consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Accordingly, Caritas are required to report information regarding their consolidated financial position and activities, as applicable, according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions, based on the absence or existence of donor-imposed restrictions.

Classification of Net Assets - The consolidated financial statements report information regarding Caritas' financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of Caritas and changes therein are classified as follows:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Classification of Net Assets (Continued)

Net assets without donor restrictions - Net assets that are not subject to stipulations. Net assets without donor stipulations may be used for any purpose or designated for specific purposes by action of the Board of Directors of Caritas.

Net assets with donor restrictions - Net assets the use of which is subject to stipulations that can be fulfilled by actions of Caritas pursuant to those stipulations.

Board Designated Net Assets - As of September 30, 2024 and 2023, Caritas' Board of Directors designated a total of $365,379 and $393,109, respectively, of net assets without donor restriction, to acquire, expand, equip, maintain, repair, or enhance the physical property or building systems located at 611 Neches and for the purchase reserve of Caritas' North Austin facility.

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

Cash and Cash Equivalents - Cash equivalents are considered to be investments purchased with original maturities of three months or less.

Property and Equipment - During 2023, Caritas increased the capitalization threshold for property and equipment from $1,000 to $2,500 or greater, which are recorded at cost when purchased. This change did not have a significant impact to these consolidated financial statements. Donated property and equipment is recorded at the fair market value as of the date of the gift. Acquisitions valued at less than $2,500 are expensed. Depreciation is calculated on the straight-line basis over the estimated useful lives of the assets, generally 5 years for equipment, 7 years for furniture and fixtures, and 39 years for buildings. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in operations for the current period. The cost of maintenance and repairs is charged to operations as incurred; significant renewals and betterments are capitalized.

Government Grant Revenue - Caritas considers all government grants and contracts to be exchange contracts and not contributions. Caritas recognizes revenue from these transactions as services are rendered and expenses are incurred. Caritas uses the allowance method to determine uncollectible receivables. The allowance is based on prior years' experience and management's analysis of accounts. There is no allowance for uncollectible grant receivables at September 30, 2024 and 2023, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Contribution Revenue - Contributions received including unconditional promises to give are recorded as unrestricted, temporarily restricted, or permanently restricted support in the period pledged depending on the existence and nature of any donor restrictions. Contributions received with donor-imposed restrictions that are satisfied in the same reporting period are reported as temporarily restricted revenue and released from restrictions. Conditional promises to give are recognized when the conditions on which they are dependent are substantially met. Caritas uses the allowance method to determine uncollectible unconditional pledges receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. There is no allowance for uncollectible pledges at September 30, 2024 and 2023, respectively.

Contributed Nonfinancial Assets - Donated services and materials are reflected in the consolidated statements of activities as revenue at their fair value on the date of receipt. Donated services are recognized by Caritas if the services received create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Fair Value Measurements - Caritas measures and discloses fair value measurements in accordance with the fair value hierarchy. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. There are three general valuation techniques that may be used to measure fair value, as described below:

A) Market approach - Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Prices may be indicated by pricing guides, sale transactions, market trades, or other sources;

B) Cost approach - Based on the amount that would currently be required to replace the service capacity of an asset (replacement cost); and

C) Income approach - Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts (includes present value techniques and option-pricing models). Net present value is an income approach where a stream of expected cash flows is discounted at an appropriate market interest rate.

Fair value measurements are determined using three levels of inputs: level 1, quoted prices in active markets for identical assets; level 2, significant other observable inputs, and level 3, significant unobservable inputs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Functional Allocation of Expenses - The costs of providing Caritas' various programs and supporting services have been reported on a functional basis in the consolidated statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs benefited and supporting services based on estimates provided by management. Expenses that are specifically identifiable to a function are allocated entirely to that function. Expenses that are not specifically identifiable to a function are allocated based upon management's estimate of time and resources devoted to the function. The significant expenses that are allocated on the basis of time and effort include personnel, office and administration expenses, depreciation and amortization, travel and meeting, insurance, and rent.

Federal Income Tax Status - Caritas is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, except for any unrelated business activities. Caritas is subject to routine examinations of its returns; however, there are no examinations currently in progress. The September 30, 2021, and subsequent tax years remain subject to examination by the Internal Revenue Service.

Significant Accounting Pronouncements - Caritas has adopted ASC 740-10, *Accounting for Uncertainty in Income Taxes.* That standard prescribes a minimum recognition threshold and measurement methodology that a tax position taken or expected to be taken in a tax return is required to meet before being recognized in consolidated financial statements. It also provided guidance for de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition.

Recently Issued Accounting Pronouncements - Effective October 1, 2022, Caritas adopted the provisions of FASB ASC Topic 326, *Financial Instruments—Credit Losses: Measurement of Credit Losses on Financial Instruments* (ASU 2016-13). This update establishes the current expected credit loss (CECL) model established by ASU 2016-13, which requires the immediate recognition of estimated expected credit losses over the life of a financial instrument, including trade receivables, net investments in leases (for lessors with sales-type or direct financing leases), and certain off-balance sheet credit exposures. The estimate of expected credit losses considers historical information as well as current and future economic conditions and events. The impact of the adoption was not considered material to the consolidated financial statements.

Subsequent Events - Management of Caritas has evaluated subsequent events for disclosure through the date of the Independent Auditors' Report, the date the consolidated financial statements were available to be issued. See Note 14.

3. PLEDGES RECEIVABLE

Pledges receivable consisted of the following unconditional promises to give at September 30:

	2024	2023
Amounts due in:		
Less than one year	$ 48,000	$ 80,000
One to five years	454,069	217,500
over five years	60,000	90,000
	562,069	387,500
Less allowance for doubtful accounts	(16,982)	(15,118)
Less present value discount	(24,633)	(33,523)
Total	$ 520,454	$ 338,859

Pledges are discounted based on the expected timing of receipt. The present value discount was $24,633 and $33,523, for the years ended September 30, 2024 and 2023, respectively.

4. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of September 30:

	2024	2023
Land	$ 642,586	$ 642,586
Buildings	4,583,636	4,517,296
Furniture and fixtures	259,046	259,046
Total	5,485,268	5,418,928
Less accumulated depreciation	(1,876,377)	(1,748,062)
Property and equipment, net	$ 3,608,891	$ 3,670,866

Depreciation expense for the years ended September 30, 2024 and 2023, was $128,315 and $123,470, respectively.

5. ENDOWMENT FUNDS

During the 2006 fiscal year, Caritas established the Caritas of Austin Endowment Fund (the Fund), a permanent endowment fund, at the Austin Community Foundation (the Foundation). The assets are irrevocably held by the Foundation and are managed to accomplish Caritas' designated charitable purpose. The Fund's assets are not recorded in the consolidated statements of financial position of Caritas as the Foundation reserves the power to modify any condition or restriction on the distributions from the Fund. The balance in the Fund as of September 30, 2024 and 2023, was $170,854 and $143,670, respectively. There were no transfers from Caritas to the Fund during the years ended September 30, 2024 and 2023.

Annually, the Foundation's Board of Governors makes a determination of the amount to grant to Caritas, based on the Foundation's spending policy. The Foundation's current spending policy is that five percent of the Fund's value as of December 31 each year shall be the available for distribution in the following year. Such distribution will be available to Caritas pursuant to a letter of instruction from Caritas, but subject to the Foundation's Board of Governors' approval. If the amount available to grant is not distributed in a single year, any remaining balance available to grant will carry over to subsequent years. During the years ended September 30, 2024 and 2023, the Fund provided $2,000 and $1,900, respectively, in grant revenue to Caritas.

6. INVESTMENTS

Investments consisted of the following at September 30:

	2024	2023
Mutual funds	$ 227,801	$ 27,184
Exchange-traded funds	7,590	1,072
Money market	4,281	714
Total investments	$ 239,672	$ 28,970

Investment return consisted of the following at September 30:

	2024	2023
Interest and dividends	$ 71,372	$ 46,798
Realized gains (losses)	18,296	24,265
Unrealized gains (losses)	11,340	2,680
Investment fees	(278)	(4,941)
Investment return, net	$ 100,730	$ 68,802

7. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were restricted for the following purposes at September 30:

	2024	2023
Capital expansion	$ -	$ 885,925
Homeless Veterans	-	10,000
Homeless Youth	2,500	16,055
Housing Stability	59,558	53,930
Infrastructure	499,272	229,403
Other program support	23,890	-
	$ 585,220	$ 1,195,313

Net assets with donor restrictions released from restriction during the years ended September 30:

	2024	2023
Capital expansion	$ 1,115,225	$ 319,771
Homeless Veterans	10,000	-
Homeless Youth	13,555	39,761
Housing Stability	9,372	30,525
Infrastructure	30,131	184,541
Other program support	122,110	95,375
	$ 1,300,393	$ 669,973

8. CONTRIBUTED NONFINANCIAL ASSETS

Contributed nonfinancial assets that have been recognized and reported as contributed nonfinancial asset revenue in the consolidated financial statements consisted of the following at September 30,:

	2024	2023
Donated materials	$ 611,588	$ 239,007
Donated services	331,472	260,442
	$ 943,060	$ 499,449

Additional donated services to various programs were received by Caritas but did not meet the criteria for recognition in the consolidated financial statements.

8. CONTRIBUTED NONFINANCIAL ASSETS - CONTINUED

Donated materials include food, clothing, and hygiene products provided to various programs. These materials were valued at fair value based on an average of $1.97 per pound as determined by Feeding America.

Donated services include office rent, bus passes, and instructional services provided to various programs. These services were valued at fair value based on the service provided and what the service provider would have charged for those services.

9. CONTINGENCIES

Caritas receives government grants for specific purposes that are subject to review and audit by government agencies. Such audits could result in a request for reimbursement for expenditures disallowed under terms and conditions of the appropriate agency. In the opinion of Caritas' management, such disallowances, if any, would not be significant.

Caritas also has rental agreements with area apartment complexes for placement of those in need of housing assistance. As of September 30, 2024, Caritas is contingently liable for rental payments of approximately $468,540. This contingency will be covered by using grant funds for housing assistance.

10. CONCENTRATIONS

Financial instruments that potentially subject Caritas to credit risk consist of cash and cash equivalents and receivables. Caritas places its cash and cash equivalents with a limited number of high quality financial institutions and at times may exceed the amount of insurance provided on such deposits. At September 30, 2024, Caritas held $784,704 in deposits in excess of the Federal Deposit Insurance Corporation insurance coverage. Management believes no significant risk exists with respect to cash and cash equivalents. Caritas does not maintain collateral for its receivables and does not believe significant risk exists at September 30, 2024 and 2023.

For the year ended September 30, 2024, Caritas received grant funding from four government entities that accounted for 96% of grant revenue and one government entity that accounted for 69% grants receivable. For the year ended September 30, 2023, Caritas received grant funding from three government entities that accounted for 91% of grant revenue and three government entities that accounted for 95% grants receivable.

11. RELATED PARTY TRANSACTIONS

Certain members of the Board of Directors of Caritas contributed $155,342 and $63,274, to Caritas during the years ended September 30, 2024 and 2023, respectively.

12. OPERATING LEASE COMMITMENTS

Caritas entered into a lease for office equipment. Total rent expense was $78,035 and $33,522 during the years ended September 30, 2024 and 2023, respectively.

	2024	2023
Operating lease cost:		
Amortization of right of use asset	$ 69,149	$ 29,008
Month-to-month lease expense	8,886	4,514
Total operating lease cost	$ 78,035	$ 33,522
Current lease liability	$ 73,978	$ 71,115
Long - term lease liability	45,037	117,049
	$ 119,015	$ 188,164
Weighted average discount rate	3%	3%

Future minimum lease payments consisted of the following at:

Year Ending September 30:	
2025	$ 78,035
2026	46,456
2027	1,873
Total	$ 126,364

13. RETIREMENT PLAN

Caritas participates in a 403(b) plan through One Voice Central Texas that allows employee elective deferrals up to the maximum amount allowed by law. Participants may make a separate election to defer up to 90% of any bonus compensation. Caritas makes matching contributions equal to 50% of the participant's elective deferrals up to 6% of a participant’s compensation. Caritas made matching contributions of $149,860 and $100,312, for the years ended September 30, 2024 and 2023, respectively.

14. LINE OF CREDIT

At September 30, 2024 and 2023, Caritas had available a line of credit with a financial institution with a limit of $1,500,000, and maturity on November 6, 2024. Interest on the line is based on the prime rate published in the Wall Street Journal in the "Money Rates" section plus 1.250%, with a floor of 3.50%. The interest rate in effect as of September 30, 2024, was 9.25%. The balances on the line of credit were $0 and $0 as of September 30, 2024 and 2023, respectively. On November 20, 2024, the line of credit was renewed with a maturity of January 20, 2026, with a limit of $1,5000,000, and the interest on the line is based on the prime rate published in the Wall Street Journal in the "Money Rates" section plus 1.250%, with a floor of 3.50%.

15. NOTE PAYABLE - MORTGAGE

	2024	2023
On February 4, 2021, NorthGate purchased property valued at $2,850,000. This purchase was financed with a loan in the amount of $2,280,000, with an interest rate of 3.99% for the first 5 years of the loan, then the lesser of the U.S. Prime Rate plus 0.05% or 3.99%. Principal and interest payments of $13,872 will be due on the 5th day of each month beginning on March 5, 2021 through February 5, 2026, and then the payment will be adjusted and agreed upon annually starting on March 5, 2026 and maturing on February 5, 2041.	$ 1,989,380	$ 2,074,939

Future maturities of long-term debt are as follows:

Year Ending	
2025	$ 87,407
2026*	91,009
2027*	94,760
2028*	98,475
2029*	102,723
Thereafter*	1,515,006
Total	$ 1,989,380

* Final amounts are yet to be determined based on debt agreement having a change in terms starting March 5, 2026.

16. NOTE PAYABLE - GRANT

	2024	2023
On June 20, 2023, Caritas was a loan awardee from Travis County in the amount of $6,422,262. The loan matures on August 1, 2066, with no monthly interest or principal payments until maturity at which time the note can be extended for twenty year periods as long as the property is being used for the purpose of supportive housing.	$ 6,422,262	$ 6,422,262

17. LIQUIDITY

The following represents Caritas' financial assets at September 30,:

	2024	2023
Financial assets at year-end		
Cash and cash equivalents	$ 950,450	$ 1,995,762
Investments	239,672	28,970
Pledges receivable, net	520,454	338,859
Grants and other receivables	2,461,478	2,300,245
Total financial assets at year-end	4,172,054	4,663,836
Less assets that are not available for operations		
Board designated assets	365,379	393,109
Net assets with restrictions	585,220	1,195,313
	950,599	1,588,422
Financial assets available to meet cash needs for general expenditures over the next twelve months	$ 3,221,455	$ 3,075,414

Caritas has a goal to maintain financial assets, which consist of cash and receivables, on hand to meet normal operating expenses. Management believes this to be sufficient capital to fund the anticipated growth of Caritas in the subsequent year as well as any unanticipated contingencies or losses.

18. JOINT VENTURE - CAIRN POINT

On July 1, 2023, Caritas entered into a joint venture for an affordable housing project called Cairn Point at Cameron, LP. Caritas contributed $6,422,262 for a 25% equity ownership of the project with 2 other owners. This investment will be accounted for using the equity method and is considered a level 3 investment.

SUPPLEMENTARY INFORMATION

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*

Board of Directors
Caritas of Austin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Caritas of Austin (Caritas), which comprise the statement of financial position as of September 30, 2024, 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 February 12, 2025.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Caritas' 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 matter that is 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Atchley & Associates LLP

Austin, Texas
February 12, 2025

ATCHLEY & ASSOCIATES LLP
CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

Board of Directors
Caritas of Austin

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Caritas of Austin's (Caritas), a non-profit organization, compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of Caritas' major federal programs for the year ended September 30, 2024. Caritas' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Caritas complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (Government Auditing Standards); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

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Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards,* and the Uniform Guidance, we:

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

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

Report on 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Atchley & Associates LLP

Austin, Texas
February 12, 2025

CARITAS OF AUSTIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Federal Grantor/Pass-through Grantor Program Title	Federal AL Number	Grant/ Contract Number	Federal Expenditures	Pass Through to Subrecipients
U.S. Department of Housing and Urban Development:				
Direct				
Continuum of Care	14.267	TX0030L6J032114	$ 1,822,589	$ -
Passthrough				
LifeWorks				
Rapid Rehousing Plus Collaborative	14.267	TX0506Y6J032201	423,152	-
SAFE				
Continuum of Care	14.267	TX0514D6J032103	12,235	-
Continuum of Care	14.267	TX0514D6J032204	37,117	-
Total U.S. Department of Housing and Urban Development			2,295,093	-
U.S. Department of Treasury:				
Passthrough				
Texas Department of Housing and Community Affairs				
Emergency Rental Assistance Program	21.023	20220000051	1,453,961	-
Austin Public Health - City of Austin				
ARPA - Continuum of Care	21.027	4700 NG220000099	3,843,574	869,215
Supported Employment ARPA	21.027	4700 NG220000167	356,200	-
BHS ARPA	21.027	4700 NG230000007	220,963	-
Travis County				
State and Local Fiscal Recovery Funds (SLFRF) ARPA Loan	21.027	4400007107	6,422,262	-
Total U.S. Department of Treasury			12,296,960	869,215
Department of Veteran's Administrations				
Supportive Services for Veteran Families	64.033	20-TX-072-LT	49,765	-
Supportive Services for Veteran Families	64.033	20-TX-072	617,771	-
Supportive Services for Veteran Families	64.033	20-TX-072SS	438,741	-
Total Department of Veteran's Administration			1,106,277	-

CARITAS OF AUSTIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Federal Grantor/Pass-through Grantor Program Title	Federal AL Number	Grant/ Contract Number	Federal Expenditures	Pass Through to Subrecipients
U.S. Department of Health and Human Services				
Pass Through				
Texas Office for Refugees (TXOR)				
Refugee Cash and Medical Assistance Program	93.566	FFY2024-27927C-CMA	$ 228,733	$ -
Refugee support Services Program	93.566	FFY2024-27927C-RSS	280,527	-
Total U.S. Department of Health and Human Services			509,260	-
U.S. Department of Homeland Security:				
Passthrough				
Austin and Williamson County				
Emergency Food and Shelter National Board Program	97.024	Phase 40 for Served Meals	7,260	-
Emergency Food and Shelter National Board Program	97.024	Phase 41 for Served Meals	18,000	-
Total U.S. Department of Homeland Security			25,260	-
Total Expenditures of Federal Awards			$ 16,232,850	$ 869,215

CARITAS OF AUSTIN
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Caritas of Austin (Caritas) under programs of the federal government for the year ended September 30, 2024. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Caritas, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Caritas.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C - INDIRECT COST RATES

Caritas has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - LOANS

These amount is included on the Schedule of Expenditures of Federal Awards because it represents a loan still outstanding with the U.S. Department of Treasury (passed through from Travis County). All loan proceeds were received in a the current year.

AL No.	Balance as of October 1, 2023	New Proceeds	Amount Forgiven	Balance as of September 30, 2024
21.027	$ 6,422,262	$ -	$ -	$ 6,422,262

CARITAS OF AUSTIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2024

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting	
• Material weakness(es) identified?	___ Yes _X_ No
• Significant deficiency(ies) identified that are not considered to be material weakness(es)?	___ Yes _X_ None Reported
Noncompliance material to financial statements noted?	___ Yes _X_ No

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	___ Yes _X_ No
• Significant deficiency(ies) identified that are not considered to be material weakness(es)?	___ Yes _X_ None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
• Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	___ Yes _X_ No

Identification of major programs:

AL No.	Name of Federal Program
21.023	Emergency Rental Assistance Program
21.027	Coronavirus State & Local Fiscal Recovery Funds
14.267	Continuum of Care

Dollar threshold used to distinguish between Type A and Type B programs	$ 750,000
Auditee qualified as low-risk auditee?	_X_ Yes ___ No

II. Financial Statement Findings

No matters were reported

III. Findings and Questioned Costs for Federal Awards

No matters were reported

CARITAS OF AUSTIN
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED SEPTEMBER 30, 2024

None reported