



## **HEARTS FOR HOMES**

Denton, Texas

Financial Statements

For the Year Ended December 31, 2023

With Summarized Comparative Information  
For the Year Ended December 31, 2022

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**Wade R. Moran CPA, PLLC**  
Certified Public Accounting Firm  
**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
HEARTS FOR HOMES  
Denton, Texas

**Opinion**

We have audited the accompanying financial statements of HEARTS FOR HOMES (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of HEARTS FOR HOMES as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of HEARTS FOR HOMES and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of Management for the Financial Statements**

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

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

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

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of HEARTS FOR HOMES's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about HEARTS FOR HOMES's ability to continue as a going concern for a reasonable period of time.

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

**Report on Summarized Comparative Information**

We have previously audited HEARTS FOR HOMES's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 15, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Wade R. Moran, CPA*

**Wade R. Moran CPA, PLLC**

Dallas, Texas

November 7, 2024

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**HEARTS FOR HOMES**  
**Statement of Financial Position**  
**December 31, 2023 With Summarized Comparative Totals for 2022**

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Current Assets		
Cash and Cash Equivalents (Note 2-Section 4 and Note 3)	\$ 495,841	\$ 374,412
Inventory (Note 4)	12,788	11,106
Prepaid Expenses (Insurance)	<u>4,587</u>	<u>2,613</u>
Total Current Assets	<u>513,216</u>	<u>388,131</u>
Net Property and Equipment (Note 2-Section 5 and Note 5)	<u>23,870</u>	<u>32,723</u>
Other Assets		
ROU Asset (Note 6)	71,915	99,730
Deposits	<u>6,000</u>	<u>6,000</u>
Total Other Assets	<u>77,915</u>	<u>105,730</u>
<b>TOTAL ASSETS</b>	<u>\$ 615,001</u>	<u>\$ 526,584</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities		
Accounts Payable and Accrued Liabilities	\$ 8,679	\$ 4,848
Short Term Lease Liability (Note 6)	<u>29,251</u>	<u>27,815</u>
Total Current Liabilities	37,930	32,663
Long Term Lease Liability (Note 6)	<u>42,664</u>	<u>71,915</u>
Total Liabilities	80,594	104,578
Net Assets (Note 2-Section 7)		
Without Donor Restrictions	478,545	368,243
With Donor Restrictions (Note 3 and Note 7)	<u>55,862</u>	<u>53,763</u>
Total Net Assets	<u>534,407</u>	<u>422,006</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 615,001</u>	<u>\$ 526,584</u>

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

**HEARTS FOR HOMES**  
**Statement of Activities**  
**Year Ending December 31, 2023 With Summarized Comparative Totals for 2022**

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Totals	Totals
<b>CHANGE IN NET ASSETS</b>				
<b>REVENUE AND PUBLIC SUPPORT</b>				
Contributions (Note 8)	\$ 344,037	\$ 20,596	\$ 364,633	\$ 319,067
Grants (Note 8)	212,631	35,266	247,897	96,835
Interest Income	473	0	473	72
Loss on Disposal	0	0	0	(2,285)
In-Kind Contributions (Note 9)	<u>76,081</u>	<u>0</u>	<u>76,081</u>	<u>45,802</u>
Total Revenue and Public Support	633,222	55,862	689,084	459,491
Net Assets Released from Restrictions				
Satisfaction of Program Restrictions (Note 10)	<u>53,763</u>	<u>(53,763)</u>	<u>0</u>	<u>0</u>
Total Revenue and Public Support	686,985	2,099	689,084	459,491
<b>EXPENSES</b>				
Program Services				
Repair Projects	431,323	0	431,323	318,287
Support Services				
Fundraising	43,413	0	43,413	38,694
General and Administrative	<u>101,947</u>	<u>0</u>	<u>101,947</u>	<u>62,007</u>
Total Expenses	<u>576,683</u>	<u>0</u>	<u>576,683</u>	<u>418,988</u>
<b>CHANGE IN NET ASSETS</b>	<u>110,302</u>	<u>2,099</u>	<u>112,401</u>	<u>40,503</u>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>368,243</u>	<u>53,763</u>	<u>422,006</u>	<u>381,503</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 478,545</u>	<u>\$ 55,862</u>	<u>\$ 534,407</u>	<u>\$ 422,006</u>

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

**HEARTS FOR HOMES**  
**Statement of Functional Expenses**  
**Year Ending December 31, 2023 With Summarized Comparative Totals for 2022**

<u>Natural Expense Categories</u>	<u>Program Services</u>		<u>Support Services</u>		<u>Total</u> 2023	<u>Total</u> 2022
	<u>Repair Projects</u>	<u>Fundraising</u>	<u>General and Administrative</u>			
Salaries and Wages	\$ 102,397	\$ 29,225	\$ 20,007	\$ 151,629	\$ 146,468	
Payroll Taxes	8,639	2,466	1,688	12,793	12,027	
Advertising (Note 2-Section 10)	0	1,105	0	1,105	540	
Professional Services	0	0	54,591	54,591	20,478	
Occupancy Costs						
Rent (Note 6)	28,085	0	3,471	31,556	28,800	
Taxes and Insurance	6,950	0	859	7,809	6,000	
Repairs	403	0	50	453	952	
Utilities	4,608	0	570	5,178	5,813	
Travel Expenses	0	0	0	0	30	
Depreciation ((Note 2-Section 5 and Note 5)	7,603	0	4,685	12,288	10,225	
Insurance	14,472	0	1,789	16,261	8,406	
Project Costs*	223,100	0	0	223,100	135,253	
Other Costs*						
Automobile	13,434	0	0	13,434	6,908	
Donations	879	0	0	879	500	
Meals and Entertainment	0	10,617	10,617	21,234	15,212	
Dues and Subscriptions	1,605	0	0	1,605	1,445	
Supplies and Office Expenses	10,562	0	2,640	13,202	14,052	
Telephone	3,918	0	980	4,898	3,951	
Volunteers and Other Costs	4,668	0	0	4,668	1,928	
<b>Total Expenses</b>	<b>\$ 431,323</b>	<b>\$ 43,413</b>	<b>\$ 101,947</b>	<b>\$ 576,683</b>	<b>\$ 418,988</b>	

\* Expense includes in-kind contributions (See Footnote 9)

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

**HEARTS FOR HOMES**  
**Statement of Cash Flows**  
**Year Ending December 31, 2023 With Summarized Comparative Totals for 2022**

	<u>2023</u>	<u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 112,401	\$ 40,503
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	12,288	10,225
Loss on Disposal of Fixed Asset	0	2,285
Change in Accounts Receivables	0	550
Change in Inventory	(1,682)	736
Change in Prepaid Expenses	(1,974)	(378)
Change in Accounts Payable and Accrued Liabilities	3,831	(5,838)
Net Cash Provided by Operating Activities	<u>124,864</u>	<u>48,083</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from Sale of Fixed Asset	0	0
Purchase of Fixed Assets	<u>(3,435)</u>	<u>(13,937)</u>
Net Cash Provided (Used) by Investing Activities	(3,435)	(13,937)
 <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	 121,429	 34,146
 <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	 <u>374,412</u>	 <u>340,266</u>
 <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	 <u>\$ 495,841</u>	 <u>\$ 374,412</u>
 <b>SUPPLEMENTARY DISCLOSURE OF CASH FLOW INFORMATION</b>		
Noncash		
In-Kind Contributions	\$ 76,081	\$ 45,802

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

**HEARTS FOR HOMES**  
Notes to the Financial Statements  
December 31, 2023

**NOTE 1 – NATURE OF ACTIVITIES**

HEARTS FOR HOMES (the “Organization”) is a non-profit Christian outreach providing hope and dignity through home rehab, affording low-income seniors a safe, comfortable, and well-functioning home. The mission of the Organization is to improve the living conditions of low income senior homeowners in Denton County, Texas.

The purpose of the Organization is to work together with other organizations and individuals to identify homeowners who are in need of assistance, (2) to seek and develop funding/donation resources, (3) to provide home repairs, rehabilitation, and/or construction to individuals/families through donated/volunteered/purchased services, (4) to provide oversight and accountability for funds raised, funds distributed, and results achieved, (5) to serve as a central resource for the recruitment, training, and deployment of volunteers, (6) to serve others as our Lord and Savior, Jesus, serves us.

Hearts for Homes provides no-cost home repairs to very low-income senior homeowners based on the following guidelines: (1) 60 years of age or older, (2) resident of Denton County, (3) own their own home, (4) repairs must fall in "need" rather than "want" category, (5) proof of income must be provided, (6) household income is no more than 160% of federal poverty guidelines. Awareness of needy homeowners is supplied by various county social services and health support organizations.

Ministry achievements in Note 13 denotes that home repair projects were provided to 102 needy homeowners in Denton County in 2023 and 103 needy homeowners in Denton County in 2022. The projects included necessary repairs to plumbing, roofing, electrical, flooring, HVAC, appliance replacement, just to name a few. Needy and/or low income seniors can qualify for assistance in needed repairs that will provide a safe living environment.

The Organization’s primary sources of revenue are free-will donations from supporters and the general public. The Organization was incorporated under the laws of the State of Texas.

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

Management follows accounting principles generally accepted in the United States of America and adopts methods for their application. This summary of significant accounting policies selected by the Organization’s management is presented to assist in understanding the financial statements.

- 1) Basis of Accounting - The accompanying financial statements are presented in accordance with accounting principles generally accepted in the United States of America. Accordingly, revenues are recognized when earned and expenses are recorded when incurred on the accrual basis of accounting.
- 2) Programs - The Organization pursues its objectives through the execution of these major programs:
  - Program Services-The Organization provides no cost home repairs services for low income seniors in Denton County.
  - Supporting Services
    - Fundraising-This program supports the general operations of the Organization.
    - General and administrative-This program supports the general operations of the Organization.
- 3) Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Accordingly, it is reasonably possible for actual results to differ from those estimates.
- 4) Cash Equivalents - For statement of cash flow purposes, cash equivalents include highly liquid investments that are readily convertible to known amounts of cash. The Organization estimates that the fair value of cash and cash equivalents do not differ materially from the aggregate carrying value recorded in the accompanying statement of financial position as of December 31, 2023.



**HEARTS FOR HOMES**  
Notes to the Financial Statements  
December 31, 2023

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

- 5) Property and Equipment - It is the Organization's policy to capitalize property and equipment with an acquisition cost greater than \$1,000. Lesser amounts are expensed. Donations of property and equipment are capitalized, and recorded as support, at their fair value at the date of receipt. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire property and equipment, are reported as contributions with donor restrictions. 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. The Organization reclassifies net assets with donor restrictions to net assets without restrictions at that time. The cost of maintenance and repairs are charged to expense as incurred. Property and equipment are depreciated using the straight-line method over the estimated useful life of the assets. (See Note 5)
- 6) Impairment of Long-Lived Assets - Management evaluates its long-lived assets for financial impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. An impairment loss is recognized when the undiscounted future cash flows from the assets are less than the carrying value of the assets. Assets to be disposed of are reported at the lower of their carrying amount or fair value, less cost to sell. Management is of the opinion that the carrying amount of its long-lived assets does not exceed their estimated recoverable amount.
- 7) Net Asset Accounting - Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The Organization has adjusted the presentation of its financial statements accordingly, applying the changes retrospectively. The new standards change the following aspects of the Organization's financial statements:  
  
The temporarily restricted and permanently restricted net asset classes have been combined into a single net asset class called net assets with donor restrictions (net assets subject to donor-imposed restrictions).  
  
The unrestricted net asset class has been renamed net assets without donor restrictions (net assets not subject to donor-imposed restrictions).
- 8) Contributions – Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Restrictions on gifts of fixed assets or cash for the purchase of fixed assets expire when the asset is placed in service.
- 9) Donated Assets and Services - Donated property is recorded at fair market value on the date of receipt in the appropriate investment, expense or equipment account. In the absence of donor restrictions, donated assets are reported as unrestricted revenue. Contributed services are recognized as unrestricted revenues if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by contribution (See Note 9).
- 10) Advertising - The Organization utilizes advertising primarily to promote fundraising efforts. The costs of advertising are expensed when incurred and advertising expense was \$1,105 for the year ended December 31, 2023.
- 11) Functional Allocation of Expenses – The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated are compensation and benefits, which are allocated on the basis of estimates of time and effort; occupancy costs and depreciation, which are allocated on a square footage/usage basis.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

- 12) Uncertain Tax Positions - Organization is a not-for-profit organization that is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code as other than a private foundation. The Organization is not aware of any activities that would jeopardize its tax-exempt status and is not aware of any activities that are subject to tax on unrelated business income. As of December 31, 2023, the Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. With few exceptions, Federal information returns filed prior to 2020 for the Organization are no longer subject to examination.
- 13) Subsequent Events – Management reviewed Type 1 subsequent events (events that reveal conditions existing at or before the balance sheet date and require adjustment to the financial statements) and Type 2 subsequent events (events that reveal conditions arising after the balance sheet date and require disclosure in, but not adjustment to, the financial statements). No subsequent events were noted. Management has evaluated subsequent events after the statement of financial position date of December 31, 2023 through the date the financial statements were available to be issued and concluded that no additional disclosures are required.
- 14) Recent Accounting Pronouncements – The accounting principles governing the reported amounts, presentations, and disclosures in the financial statements are subject to change from time to time based on the issuance of new pronouncements of various standard-setting bodies. New pronouncements not yet in effect as of December 31, 2023, will not have a material effect on the financial statements of financial position, activities, and cash flows.
- 15) Fair Value Measurements and Disclosures - Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820 *Fair Value Measurements and Disclosures* established a framework for measuring fair value. That framework provides for a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements), and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows: *Level 1* - Inputs based on unadjusted quoted prices for identical assets or liabilities accessible at the measurement date, *Level 2* – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly, such as quoted prices for similar assets or liabilities in active markets, and *Level 3* - Unobservable inputs for the asset or liability including the reporting entity’s own assumptions in determining the fair value measurement. The methods described above may produce a fair value calculation that may not be indicative of net realizable value, or reflective of future fair values. Furthermore, while the Organization believes that its valuation methods are appropriate and consistent with other market techniques, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. The estimated fair values of the Organization’s financial instruments not measured at fair value, including cash and cash equivalents, prepaid expenses, deposits, and accounts payable and accrued liabilities approximated their carrying values based on the short-term nature of these items as of December 31, 2023.
- 16) Prior Year Summarized Financial Information – The financial statements are presented with certain prior year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization’s financial statements for the year ended December 31, 2022 from which the summarized information was derived.

**HEARTS FOR HOMES**  
Notes to the Financial Statements  
December 31, 2023

**NOTE 3 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

Financial Assets at Year-End	
Cash and Cash Equivalents	<u>\$ 495,841</u>
Total Financial Assets Available	495,841
Less: Donor Imposed Restrictions	<u>(55,862)</u>
Financial Assets Available to Meet Cash Needs General Expenditures within One Year	<u>\$ 439,979</u>

**NOTE 4 – INVENTORY**

The inventory consists primarily of home construction materials and supplies purchased or donated by businesses and individuals from the Denton County area. The materials are stored in a 3,470 SF warehouse adjacent to the Organization's office at 826 E. McKinney in Denton. The donations are in short case lots and for financial reporting the retail value is discounted. The estimated retail value of the inventory is \$51,152, and for financial reporting discounted to 25% of retail or \$12,788 as of December 31, 2023.

**NOTE 5 – PROPERTY AND EQUIPMENT**

Property and equipment are used for operating purposes and consisted of the following at December 31, 2023:

Computer Equipment (5 years)	\$ 20,860
Furniture, Equipment and Tools (5-10 years)	47,700
Improvements (5-7 years)	22,437
Vehicles and Trailers (5-7 years)	<u>48,922</u>
Total Property and Equipment	139,918
Less: Accumulated Depreciation	<u>(116,048)</u>
Net Property and Equipment	<u>\$ 23,870</u>

Depreciation expense for the year ended December 31, 2023 was \$12,880.

**NOTE 6 – LEASE COMMITMENTS**

The Organization conducts its Denton operations from a facility that is under a non-cancelable operating lease. The lease space is approximately 3,900 SF. The lease term was from June 1, 2020 to May 31, 2023 with a base rent of \$2,400. The lease was renewed in 2023 with a period of June 1, 2023 to May 31, 2026 with a base rent of \$2,550.

Lease Costs for the year ended December 31, 2023:

Operating Lease Cost	<u>\$ 29,850</u>
Total Lease Cost	<u>\$ 29,850</u>

Cash Flows relating to lease activity for the year ended December 31, 2023:

Operating Lease – Operating Cash Flows (Fixed Payments)	\$ 29,850
Operating Lease – Operating Cash Flows (Liability Reduction)	27,815
ROU Assets – Operating Leases	71,915
Weighted Average Lease Term – Operating Leases	2 years
Weighted Average Discount Rate – Operating Leases	2.4%

**HEARTS FOR HOMES**  
Notes to the Financial Statements  
December 31, 2023

**NOTE 6 – LEASE COMMITMENTS (continued)**

Statement of Financial Positions considerations as of December 31, 2023:

ROU Asset	\$ 71,915
Short Term Lease Liability	29,251
Long Term Lease Liability	42,664

Future minimum lease payments are:

2024	\$ 30,600
2025	30,600
2026	<u>12,750</u>
Total future minimum lease payments	<u>\$ 73,950</u>

**NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions as of December 31, 2023 consist of cash and cash equivalent balances and are available from the following sources:

Purpose (Use) Restriction	\$ 35,266
Hessel Project (House construction)	<u>20,596</u>
Total	<u>\$ 55,862</u>

**NOTE 8 – CONTRIBUTIONS AND GRANTS REVENUE**

Contribution revenues from donors for the year ended December 31, 2023 were from the following sources:

Church Contributions	\$ 26,107
Corporate Contributions	18,037
Individual Contributions	311,186
Other Nonprofit Organizations	<u>9,303</u>
Total	<u>\$ 364,633</u>

Grant revenues from other agencies for the year ended December 31, 2023 were from the following sources:

Foundation and Trust Grants	\$ 166,447
United Way Grant	15,000
Corporate and Business Grants	41,000
Other Nonprofit Organization Grants	<u>25,450</u>
Total	<u>\$ 247,897</u>

**NOTE 9 – IN-KIND CONTRIBUTIONS**

In-kind contributions for the year ended December 31, 2023 were used for the following purposes:

Project Costs	\$ 59,831
Christmas Baskets	9,000
Heart Beat Dinner	7,000
All Others	<u>250</u>
Total	<u>\$ 76,081</u>

There were no donor-imposed restrictions associated with any of the in-kind contributions. All in-kind contributions were valued using actual costs given by the donor.

**HEARTS FOR HOMES**  
Notes to the Financial Statements  
December 31, 2023

**NOTE 10 – NET ASSETS RELEASED FROM RESTRICTIONS**

Net assets were released from donor restrictions as expenses were incurred which simultaneously satisfied the restricted purposes of the funds. Net assets released during the year ending December 31, 2023 are as follows:

Satisfaction of Program Restrictions	
Purpose (Use) Restriction	\$ 53,763
Total	<u>\$ 53,763</u>

**NOTE 11 – CONCENTRATION OF CREDIT RISK**

Financial instruments that potentially subject the organization to concentrations of credit risk consist of cash and cash equivalents on deposit at financial institutions. As of December 31, 2023, total deposits in excess of federally insured limits amounted to \$134,686. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant risk of loss of cash.

**NOTE 12 – COMPENSATED ABSENCES**

Employees of the Organization are entitled to paid vacation and personal days off, depending on length of service and other factors. It is impracticable to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the financial statements. The Organization’s policy is to expense the costs of compensated absences when actually paid to employees.

**NOTE 13 – VOLUNTEER CONTRIBUTED SERVICES**

The Organization is assisted by volunteers who contribute services to the organization’s projects. Volunteer work days during the fiscal year ending December 31, 2023 are estimated to be approximately 266. A substantial number of board members also contribute their services to develop programs and assist in program administration. Volunteer services are not recorded in these financial statements since they do not meet the criteria set forth in Note 2 under Donated Assets and Services. The table below denotes the impact the Organization’s volunteers have made on the Denton County community and in the lives of the seniors they serve in 2022 and 2023.

Year Assisted	Families	Work Days	Volunteer Hours
2022	103	764	1,855
2023	<u>102</u>	<u>785</u>	<u>2,820</u>
Totals	<u>205</u>	<u>1,549</u>	<u>4,675</u>