

Grace Like Rain, Inc. dba Giving Grace

**Financial Statements with
Supplementary Information and Compliance Reports
December 31, 2024**



Grace Like Rain, Inc. dba Giving Grace

Contents

Independent Auditors' Report	1
Financial Statements:	
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to Financial Statements	8
Supplementary Information and Compliance Reports:	
Schedule of Expenditures of Federal Awards	18
Notes to Schedule of Expenditures of Federal Awards	19
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 <i>Government Auditing Standards</i>	20
Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance	22
Schedule of Findings and Questioned Costs	25



Independent Auditors' Report

To the Board of Directors of
Grace Like Rain, Inc. dba Giving Grace

Opinion

We have audited the accompanying financial statements of Grace Like Rain, Inc. dba Giving Grace (a nonprofit organization) (Organization), which comprise the statement of financial position as of December 31, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2024, and the change 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 (GAAP).

Basis for Opinion

We conducted our audit 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 Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

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

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

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2025 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.



A Limited Liability Partnership

Arlington, Texas
September 26, 2025

Grace Like Rain, Inc. dba Giving Grace
Statement of Financial Position
December 31, 2024

Assets

Current assets:

Cash	\$ 174,491
Contributions receivable	7,575
Grants receivable	121,982
Other assets	35,413

Total current assets	339,461
-----------------------------	----------------

Noncurrent assets:

Assets restricted for capital campaign:

Cash	25,384
Contributions receivable	455,000
Construction in progress	47,616
Property and equipment, net	3,977,484
Right-of-use asset - operating lease, net	78,904

Total assets	\$ 4,923,849
---------------------	---------------------

Liabilities and Net Assets

Current liabilities:

Accounts payable	\$ 5,727
Accrued expenses	40,765
Refundable advances	138,059
Note payable, current portion	58,796
Right-of-use liability - operating lease, current portion	45,799

Total current liabilities	289,146
----------------------------------	----------------

Noncurrent liabilities:

Note payable, net	115,527
Right-of-use liability - operating lease, net	39,964

Total noncurrent liabilities	155,491
-------------------------------------	----------------

Total liabilities	444,637
--------------------------	----------------

Net Assets:

Without donor restrictions	3,951,212
With donor restrictions	528,000

Total net assets	4,479,212
-------------------------	------------------

Total liabilities and net assets	\$ 4,923,849
---	---------------------

See notes to financial statements.

Grace Like Rain, Inc. dba Giving Grace
Statement of Activities
Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:			
Contributions of financial assets	\$ 541,750	\$ 506,000	\$ 1,047,750
Contributions of nonfinancial assets	18,384	7,000	25,384
Government grants	986,876	-	986,876
Special events (net of direct costs of \$22,262)	59,955	-	59,955
Other income	2,100	-	2,100
Total revenue and support	1,609,065	513,000	2,122,065
Operating expenses:			
Program services	1,319,113	-	1,319,113
Management and general	206,906	-	206,906
Fundraising	152,057	-	152,057
Total expenses	1,678,076	-	1,678,076
Change in net assets from operations	(69,011)	513,000	443,989
Non-operating income:			
Employee retention credit	160,034	-	160,034
Change in net assets	91,023	513,000	604,023
Net assets at beginning of year	3,860,189	15,000	3,875,189
Net assets at end of year	\$ 3,951,212	\$ 528,000	\$ 4,479,212

See notes to financial statements.

Grace Like Rain, Inc. dba Giving Grace
Statement of Functional Expenses
Year Ended December 31, 2024

	Program Services	Management and General	Fundraising	Total
Salaries and wages	\$ 540,239	\$ 120,604	\$ 103,484	\$ 764,327
Payroll taxes	24,655	6,795	6,622	38,072
Advertising and promotion	-	-	50,009	50,009
Accounting	-	45,391	-	45,391
Client assistance	223,108	-	-	223,108
Depreciation	7,586	-	-	7,586
Insurance	20,820	5,436	2,617	28,873
Office	13,450	18,641	2,973	35,064
Occupancy	489,255	10,039	8,614	507,908
Total expenses by function	1,319,113	206,906	174,319	1,700,338
Less expenses included with revenues on the statement of activities				
Direct costs of special events	-	-	(22,262)	(22,262)
Total expenses included in the expense section on the statement of activities	\$ 1,319,113	\$ 206,906	\$ 152,057	\$ 1,678,076

See notes to financial statements.

Grace Like Rain, Inc. dba Giving Grace
Statement of Cash Flows
Year Ended December 31, 2024

Cash flows from operating activities:	
Change in net assets	\$ 604,023
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Contributions of financial assets restricted for capital campaign	(506,000)
Depreciation	7,586
Amortization on right-of-use asset - operating lease	47,069
Donated construction in progress	(7,000)
Change in operating assets and liabilities:	
Contributions receivable	9,059
Grants receivable	(72,462)
Other assets	(20,355)
Accounts payable	(33,069)
Accrued expenses	(2,375)
Refundable advances	(8,098)
Right-of-use liability - operating lease	(41,662)
Net cash used by operating activities	(23,284)
Cash flows from investing activities:	
Purchases of property and equipment and construction in progress	(64,801)
Cash flows from financing activities:	
Collections of contributions of financial assets restricted for capital campaign	51,000
Payments on notes payable	(141,965)
Issuance of note payable	256,021
Net cash provided by financing activities	165,056
Net change in cash	76,971
Cash at beginning of year	122,904
Cash at end of year	\$ 199,875
Reconciliation of cash and restricted cash reported within the statements of financial position to the statements of cash flows:	
Cash	\$ 174,491
Cash restricted for capital campaign	25,384
	<u>\$ 199,875</u>
Supplemental cash flow information:	
Right-of-use asset obtained in exchange for new lease liability	<u>\$ 89,315</u>
Cash paid during the year for interest	<u>\$ 7,166</u>

During the year ended December 31, 2024, the Organization received donated construction in progress totaling \$7,000.

See notes to financial statements.

Grace Like Rain, Inc. dba Giving Grace

Notes to Financial Statements

1. Organization

Grace Like Rain, Inc. dba Giving Grace (Organization) is a Texas nonprofit organization incorporated in 2016. The Organization is a non-profit ministry existing to provide moms and dads of young children a helping hand in times of crises and homelessness.

The Organization is committed to extending God's love to families who have suffered homelessness, parental incarceration, financial devastation and other times of severe need by providing programming, training, education, resources, housing and tangible assistance.

The Organization's desire is that every family that enters their program in need will become a part of their extended family, one day fully able to serve others in the same way they were served.

Every family will be encouraged to grow in their relationship with Christ and be given the opportunity to connect with local churches.

As the families in need receive the ministry and help from the Organization finding stability, support and purpose, it is their vision that those same families will join their team in the mission to rescue and resource others.

The primary source of support to the Organization is voluntary contributions from individuals and churches located primarily in Denton County, Texas and grants from local organizations and federal agencies.

2. Summary of Significant Accounting Policies

Basis of Accounting

The Organization prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Financial Statement Presentation

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

Net assets without donor restrictions – Net assets not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the board of directors.

Grace Like Rain, Inc. dba Giving Grace

Notes to Financial Statements

Net assets with donor restrictions – Net assets subject to donor stipulations that will be met by actions of the Organization and/or the passage of time.

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with provisions of additional donor-imposed stipulations or a board of directors approved spending policy. As of December 31, 2024, no such net asset restrictions existed.

Revenue and support are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Donor restricted contributions whose restrictions are met in the same year the contributions are received are reported as net assets without donor restrictions. Expirations on net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Financial Instruments and Credit and Market Risk Concentrations

Financial instruments which are potentially subject to concentrations of credit risk consist principally of cash, grants receivable and contributions receivable. Cash is placed with high credit quality financial institutions to minimize risk.

The Organization places cash, which at times may exceed the federally insured limits, with high credit quality financial institutions to minimize risk. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization had no uninsured balances at December 31, 2024.

Contributions receivable are unsecured and due from various donors. Grants receivable are unsecured and due from various grantors. The Organization continually evaluates the collectability of receivables and maintains allowance for doubtful accounts balances as necessary. As of December 31, 2024 management has concluded no allowance is necessary. All receivables are due within one year.

As of December 31, 2024, two grantors accounted for 98% of the grants receivable balance.

As of December 31, 2024, two donors accounted for 98% of the contributions receivable balance.

For the year ended December 31, 2024, two donors accounted for 50% of total contributions of financial assets.

Grace Like Rain, Inc. dba Giving Grace

Notes to Financial Statements

For the year ended December 31, 2024, two grantors accounted for 79% of total government grant revenue.

Property and Equipment

Property and equipment are stated at cost when purchased or at fair market value, if donated, as of the date donated. Major expenditures which substantially increase useful lives of the assets are capitalized. Maintenance, repairs and replacements, which do not improve or extend the lives of the respective assets, are charged to expenses when incurred. When property and equipment is sold or otherwise disposed of, the asset and related accumulated depreciation is removed, and any gain or loss is included in the statement of activities.

Depreciation is provided for over the estimated useful lives of the assets using the straight-line method as follows:

Furniture and fixtures	5 years
Vehicles	6 years

Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets or an unconditional promise to give is received. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. All contributions are considered available for unrestricted use unless specifically restricted by the donor. Conditional promises to give, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Amounts received in advance of conditions being met are reported as refundable advances.

Revenue from special events is recognized when the event occurs.

Donated goods and services are accounted for as contributions of nonfinancial assets at their estimated value at the date of receipt.

The Organization recognizes contribution revenue for certain services received at the fair value of those services, provided those services create or enhance non-financial assets or require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

Grace Like Rain, Inc. dba Giving Grace

Notes to Financial Statements

Income Taxes

The Organization is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code (IRC) and has not been classified as a private foundation as defined in the IRC. Income generated from activities unrelated to the Organization's exempt purposes is subject to tax under IRC Section 511. The Organization had no unrelated business income for the year ended December 31, 2024. Accordingly, no provision has been made for income tax in the accompanying financial statements.

GAAP requires the evaluation of tax positions taken in the course of preparing the Organization's tax returns and recognition of a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Organization, and has concluded that as of December 31, 2024, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

Allocation of Functional Expenses

The costs of providing the various program and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the various functions benefited. The financial statements report certain categories of expenses that are attributed to more than one program or support function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Salaries and wages, office and occupancy expense are allocated based on estimates of time and effort.

Estimates and Assumptions

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of 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.

3. Assets Restricted for Capital Campaign

The Organization has initiated a capital campaign to build a housing community. At December 31, 2024, net assets restricted for the capital campaign include:

Cash	\$ 25,384
Contributions receivable	455,000
Construction in progress	<u>47,616</u>
	<u>\$ 528,000</u>

Grace Like Rain, Inc. dba Giving Grace
Notes to Financial Statements

4. Property and Equipment

Property and equipment consists of the following at December 31, 2024:

Land	\$ 3,808,600
Construction in progress	174,330
Van	44,147
Furniture and equipment	<u>6,835</u>
	4,033,912
Less accumulated depreciation	<u>(8,812)</u>
Property and equipment, net	<u><u>\$ 4,025,100</u></u>

Depreciation expense totaled \$7,586 for the year ended December 31, 2024.

5. Note Payable

The Organization had a note payable from a bank that matured in April 2024. The note was collateralized by land. The note bore interest at 4% with monthly principal and interest payments of \$1,614. Upon the maturity, the outstanding balance of \$56,021 was converted into a new note agreement that matures in April 2028, bears interest at 8% with monthly principal and interest payments of \$1,371. This note was paid in full during 2024.

In June 2024, the Organization entered into a note payable agreement totaling \$200,000 with a related party. The note is collateralized by land and bears interest at 6% with monthly principal and interest payments of \$6,084 until maturity in August 2027. At December 31, 2024, the outstanding balance on the note totaled \$174,323.

Minimum required future principal payments on the note payable are as follows for the years ending December 31:

2025	\$ 58,796
2026	67,929
2027	<u>47,598</u>
Total	<u><u>\$ 174,323</u></u>

The outstanding related party note payable was repaid in full in February 2025.

Grace Like Rain, Inc. dba Giving Grace

Notes to Financial Statements

6. Employee Retention Credit

The Taxpayer Certainty and Disaster Tax Relief Act of 2020, enacted December 27, 2020, amended and extended the Employee Retention Credit (ERC) of the CARES Act. The ERC is a refundable tax credit against employment taxes equal to 50% of the qualified wages an eligible employer pays to employees after March 12, 2020, and before December 31, 2021. Employers are eligible for the credit if they met certain criteria that include either a full or partial suspension of operations during any calendar quarter of 2020 and the first and second quarters of 2021 due to government orders or a significant decline on gross receipts. The Organization recognized non-operating income for an ERC net of filing fees, totaling \$160,034 during the year ended December 31, 2024. The Organization has elected to recognize ERC revenue at the time notification is received from the Internal Revenue Service that the credit has been approved.

7. Net Assets with Donor Restrictions

As of December 31, 2024, the Organization had net assets with donor restrictions totaling \$528,000 restricted for a capital campaign for the construction of an affordable housing community.

8. Contributions of Nonfinancial Assets

The Organization received the following contributions of nonfinancial assets during the year ended December 31, 2024:

	Program Services	Management and General	Fundraising	Assets	Total
Services	\$ 13,604	\$ 3,520	\$ 675	\$ -	\$ 17,799
Goods	585	-	-	7,000	7,585
Total	<u>\$ 14,189</u>	<u>\$ 3,520</u>	<u>\$ 675</u>	<u>\$ 7,000</u>	<u>\$ 25,384</u>

Services

Contributed services are valued based on the price the donor would have charged if not donated.

Goods

Contributed goods are valued based on the fair market value of similar goods.

Contributions of nonfinancial assets totaling \$7,000 were restricted by donors for the capital campaign. There were no other donor restrictions on contributions of nonfinancial assets.

Grace Like Rain, Inc. dba Giving Grace

Notes to Financial Statements

9. Operating Leases

In evaluating its contracts, the Organization separately identifies lease and nonlease components, such as common area and other maintenance costs, in calculating the right-of-use (ROU) asset and lease liability for its office space. The Organization has elected the practical expedient to not separate lease and nonlease components and classifies the contract as a lease if consideration in the contract allocated to the lease component is greater than the consideration allocated to the nonlease component.

Leases result in the recognition of ROU assets and lease liabilities on the statement of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The Organization determines lease classification as operating or finance at the lease commencement date.

At lease inception, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The Organization uses the implicit rate when readily determinable. As most of the leases do not provide an implicit rate, the Organization uses the incremental borrowing rate or the risk-free rate derived from the interest paid on short-term government debt to determine the present value of lease payments.

The lease term may include options to extend or to terminate the lease that the Organization is reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term. The Organization has elected not to record leases with an initial term of 12 months or less on the statement of financial position. Lease expense on such leases is recognized on a straight-line basis over the lease term.

Nature of Leases

The Organization has entered into an operating lease arrangement for use of a building for general office space. The lease expires during November 2026.

Future minimum lease payments and a reconciliation to the statement of financial position at December 31, 2024 are as follows for the years ending December 31:

2025	\$ 45,799
2026	<u>42,849</u>
Total future undiscounted lease payments	88,648
Less present value discount	<u>(2,885)</u>
Lease liability	<u><u>\$ 85,763</u></u>

Grace Like Rain, Inc. dba Giving Grace
Notes to Financial Statements

The following lease cost and required information for the years ended December 31, 2024:

Total operating lease cost	\$	43,256
Other information:		
Cash paid for amounts included in the measurement of lease liability:		
Operating cash flows from operating lease	\$	(41,662)
Right-of-use asset obtained in exchange for new operating lease liability	\$	89,315
Weighted-average remaining lease term:		
Operating lease		2 years
Weighted-average discount rate:		
Operating lease		3.62%

10. Related Party Transactions

The Organization received contributions from employees and members of the board of directors totaling \$82,308 during the year ended December 31, 2024.

The Organization has entered into a note payable agreement with a family member of management as detailed in Note 5.

11. Liquidity and Availability of Resources

The Organization’s financial assets available within one year of the statement of financial position date for general expenditures are as follows as of December 31, 2024:

Cash	\$	199,875
Contributions receivable		462,575
Grants receivable		121,982
Total financial assets		784,432
Less financial assets not available for general expenditures within one year:		
Cash restricted for capital campaign		(25,384)
Contributions receivable restricted for capital campaign		(455,000)
Financial assets available to meet cash needs for general expenditures within one year	\$	304,048

Grace Like Rain, Inc. dba Giving Grace

Notes to Financial Statements

The Organization monitors its liquidity in order to meet operating needs and other contractual commitments while maintaining sufficient resources to meet donor restrictions placed on contributed financial assets. The Organization has a goal to maintain its financial assets to be available as its general expenditures, liabilities and other obligations as they come due.

12. Subsequent Events

A \$6,000,000 unrestricted gift from the City of Denton was received in February 2025. The gift will be designated by the board of the Organization to the Love First capital campaign project.

The Organization has evaluated subsequent events through September 26, 2025, the date the financial statements were available to be issued and concluded that no additional disclosures are required.

Supplementary Information and Compliance Reports

Grace Like Rain, Inc. dba Giving Grace
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2024

Federal Agency/Pass-through Grantor/Program Title	Assistance Listing Number	Grant Number	Federal Expenditures
U.S. Department of Housing and Urban Development:			
City of Denton:			
Home Investment Partnerships Program	14.239	-	\$ 213,659
Direct:			
Continuum of Care Program	14.267	TX0734L6T072300	51,074
Continuum of Care Program	14.267	TX0149L6T072215/TX0149L6T072316	416,026
Total ALN 14.267			<u>467,100</u>
Total U.S. Department of Housing and Urban Development			680,759
U.S. Department of the Treasury:			
City of Denton:			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	-	<u>102,343</u>
Total U.S. Department of the Treasury			<u>102,343</u>
Total expenditures of federal awards			<u>\$ 783,102</u>

Grace Like Rain, Inc. dba Giving Grace
Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2024

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal grant activity of Grace Like Rain, Inc. dba Giving Grace (Organization). The information in this Schedule is presented in accordance with 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). Because the Schedule only presents a selected portion of the operations of the Organization, it is not intended and does not present the financial position, changes in net assets or cash flows of the Organization.

2. 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.

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

3. Reconciliation of Schedule to Statement of Activities

The Organization recognized grants totaling \$203,774 that were included in government grant revenue on the statement of activities that were not subject to the audit requirements of the Uniform Guidance during the year ended December 31, 2024 and therefore were not included on the Schedule.

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 of
Grace Like Rain, Inc. dba Giving Grace

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 Grace Like Rain, Inc. dba Giving Grace (Organization) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, 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 26, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


A Limited Liability Partnership

Arlington, Texas
September 26, 2025



Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Directors of
Grace Like Rain, Inc. dba Giving Grace

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Grace Like Rain, Inc. dba Giving Grace' (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 the Organization's major federal programs for the year ended December 31, 2024. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization 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, 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; 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 the Organization 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 Organization's compliance with the compliance requirements referred to above.

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 Organization's 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 the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Organization's 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 the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

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

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 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 was 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.



A Limited Liability Partnership

Arlington, Texas
September 26, 2025

Grace Like Rain, Inc. dba Giving Grace
Schedule of Findings and Questioned Costs
Year Ended December 31, 2024

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued:	Unmodified
Internal control over financial reporting:	
• Material weaknesses identified?	No
• Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weaknesses identified?	No
• Significant deficiencies identified?	None reported
Type of auditors’ report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance 2 CFR 200.516(a)?	No
Identification of major federal program:	<u>Assistance Listing Number</u>
Continuum of Care Program	14.267
Dollar threshold used to distinguish between type A and B programs for federal awards:	\$750,000
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

Section IV – Summary of Prior Year Audit Findings

None