

CARE NET

Financial Statements
With Independent Auditors' Report

June 30, 2023 and 2022

CARE NET

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Care Net
Lansdowne, Virginia

Opinion

We have audited the accompanying financial statements of Care Net, which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses and cash flows for the years 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 Care Net as of June 30, 2023 and 2022, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Care Net 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 Financial Statements

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

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 Care Net's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Board of Directors
Care Net
Lansdowne, Virginia

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 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 Care Net'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 Care Net'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.

Capin Crouse LLP

Naperville, Illinois
October 31, 2023

CARE NET

Statements of Financial Position

	June 30,	
	2023	2022
ASSETS:		
Cash and cash equivalents	\$ 3,154,181	\$ 2,513,332
Investments	576,327	511,315
Accounts receivable	191	7,900
Contributions receivable	100,000	150,000
Other assets	281,912	118,031
Inventory	148,386	81,444
Due from related organization	100,000	198,240
Operating lease right-of-use-assets	240,739	-
Financing lease right-of-use-assets	16,913	-
Property and equipment, net	33,693	55,888
Digital media, net	487,542	598,319
Total Assets	\$ 5,139,884	\$ 4,234,469
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	\$ 371,077	\$ 261,862
Accrued payroll and vacation	433,610	285,424
Deferred revenue	859,108	647,031
Operating lease liability	245,873	-
Financing lease liability	17,081	-
Total liabilities	1,926,749	1,194,317
Net assets:		
Without donor restrictions	3,113,135	2,790,152
With donor restrictions	100,000	250,000
Total net assets	3,213,135	3,040,152
Total Liabilities and Net Assets	\$ 5,139,884	\$ 4,234,469

See notes to financial statements

CARE NET

Statements of Activities

	Year Ended June 30,					
	Without Donor Restrictions	With Donor Restrictions	2023 Total	Without Donor Restrictions	With Donor Restrictions	2022 Total
SUPPORT AND REVENUE:						
Public support:						
Contributions	\$ 5,617,342	\$ 466,497	\$ 6,083,839	\$ 6,013,496	\$ 422,500	\$ 6,435,996
Grants	1,365,800	-	1,365,800	998,550	-	998,550
Total public support	<u>6,983,142</u>	<u>466,497</u>	<u>7,449,639</u>	<u>7,012,046</u>	<u>422,500</u>	<u>7,434,546</u>
Revenue:						
Conferences	823,635	-	823,635	771,809	-	771,809
Affiliation fees	213,694	-	213,694	195,148	-	195,148
Training	-	-	-	-	-	-
Resource sales	394,580	-	394,580	349,222	-	349,222
Interest/royalties	8,903	-	8,903	1,435	-	1,435
Investment (loss) income	94,508	-	94,508	(58,912)	-	(58,912)
Speaking honorariums	60,172	-	60,172	91,813	-	91,813
Miscellaneous	8,045	-	8,045	20,415	-	20,415
	<u>1,603,537</u>	<u>-</u>	<u>1,603,537</u>	<u>1,370,930</u>	<u>-</u>	<u>1,370,930</u>
RECLASSIFICATIONS:						
Satisfaction of purpose restrictions	616,497	(616,497)	-	335,892	(335,892)	-
Total support and revenue	9,203,176	(150,000)	9,053,176	8,718,868	86,608	8,805,476

(continued)

See notes to financial statements

CARE NET

Statements of Activities (continued)

	Without Donor Restrictions	With Donor Restrictions	2023 Total	Without Donor Restrictions	With Donor Restrictions	2022 Total
EXPENSES:						
Program services:						
Center services operations	1,050,942	-	1,050,942	939,054	-	939,054
Public education	1,875,788	-	1,875,788	2,341,999	-	2,341,999
Public and center services outreach	2,753,915	-	2,753,915	2,277,121	-	2,277,121
Pregnancy decision line	652,341	-	652,341	371,878	-	371,878
Conference	975,485	-	975,485	917,634	-	917,634
Other program	-	-	-	900,000	-	900,000
Total program services	<u>7,308,471</u>	-	<u>7,308,471</u>	<u>7,747,686</u>	-	<u>7,747,686</u>
Supporting activities:						
General and administrative	678,708	-	678,708	319,124	-	319,124
Fundraising	893,014	-	893,014	736,864	-	736,864
Total supporting activities	<u>1,571,722</u>	-	<u>1,571,722</u>	<u>1,055,988</u>	-	<u>1,055,988</u>
Total Expenses	<u>8,880,193</u>	-	<u>8,880,193</u>	<u>8,803,674</u>	-	<u>8,803,674</u>
Change in Net Assets	322,983	(150,000)	172,983	(84,806)	86,608	1,802
Net Assets, Beginning of Year	<u>2,790,152</u>	<u>250,000</u>	<u>3,040,152</u>	<u>2,874,958</u>	<u>163,392</u>	<u>3,038,350</u>
Net Assets, End of Year	<u>\$ 3,113,135</u>	<u>\$ 100,000</u>	<u>\$ 3,213,135</u>	<u>\$ 2,790,152</u>	<u>\$ 250,000</u>	<u>\$ 3,040,152</u>

See notes to financial statements

CARE NET

Statement of Functional Expenses

Year Ended June 30, 2023

	Program Activities						Supporting Activities			
	Center Services Operations	Public Education	Public and Center Services Outreach	Pregnancy Decision Line	Conference	Total Program	Management and General	Fund-Raising	Total Supporting	Total
Salaries and payroll expenses	\$ 705,721	\$ 952,486	\$ 1,332,083	\$ 398,237	\$ 212,757	\$ 3,601,283	\$ 442,297	\$ 219,679	\$ 661,976	\$ 4,263,259
Bank fees	1,293	1,746	2,476	730	9,082	15,327	11,560	88,329	99,889	115,215
Professional services	158,497	14,791	484,609	73,726	63,172	794,794	155,165	299,390	454,555	1,249,349
Occupancy	31,423	41,438	59,296	30,326	9,262	171,745	19,242	9,557	28,800	200,544
Depreciation and amortization	5,289	7,138	182,099	2,984	1,594	199,104	3,314	1,646	4,961	204,065
Small equipment and repairs	1,927	2,391	6,271	1,481	2,773	14,843	1,110	2,611	3,721	18,563
Advertising and marketing	-	180,512	108,267	92,544	17,760	399,082	-	41,739	41,739	440,821
Space rental and vendor fees	2,523	-	21,547	1,894	246,762	272,726	750	(550)	200	272,926
Telephone	4,917	6,313	17,107	10,436	3,222	41,995	5,021	1,971	6,993	48,987
Supplies	2,132	929	16,654	19,878	6,414	46,007	3,091	7,068	10,159	56,166
Postage and shipping	730	163,274	57,839	(350)	3,510	225,003	270	37,753	38,023	263,026
Printing and publications	5,304	469,762	42,422	-	7,292	524,780	-	108,620	108,620	633,400
Other	4,985	2,088	14,979	1,460	1,915	25,427	21,100	17,589	38,688	64,115
Membership and dues	5,002	2,668	3,908	1,163	596	13,337	1,861	20,396	22,257	35,594
Insurance	5,614	7,577	10,597	3,168	1,693	28,649	3,519	1,748	5,266	33,915
Grant expense	48,029	-	160,000	-	-	208,029	-	-	-	208,029
Travel & meals	65,689	22,674	83,148	14,666	387,682	573,860	10,409	35,468	45,877	619,737
Cost of goods sold	1,868	-	150,614	-	-	152,482	-	-	-	152,482
	<u>\$ 1,050,942</u>	<u>\$ 1,875,788</u>	<u>\$ 2,753,915</u>	<u>\$ 652,341</u>	<u>\$ 975,485</u>	<u>\$ 7,308,471</u>	<u>\$ 678,708</u>	<u>\$ 893,014</u>	<u>\$ 1,571,722</u>	<u>\$ 8,880,193</u>

See notes to financial statements

CARE NET

Statement of Functional Expenses

Year Ended June 30, 2022

	Program Activities						Supporting Activities				
	Center Services Operations	Public Education	Public and Center Services	Pregnancy Decision Line	Conference	Other Programs	Total Program	Management and General	Fund- Raising	Total Supporting	Total
Salaries and payroll expenses	\$628,921	\$1,286,377	\$925,659	\$202,275	\$160,808	\$ -	\$ 3,204,040	\$111,594	\$101,230	\$ 212,824	\$3,416,864
Bank fees	2,148	2,504	11,776	689	23,508	-	40,625	1,284	92,436	93,720	134,345
Professional services	118,073	47,996	447,587	31,511	63,446	-	708,613	143,189	266,128	409,317	1,117,930
Occupancy	36,595	18,208	54,003	15,735	9,329	-	133,870	19,619	49,150	68,769	202,639
Depreciation and amortization	1,936	964	179,179	621	494	-	183,194	1,038	2,601	3,639	186,833
Small equipment and repairs	2,849	1,342	5,792	1,294	2,422	-	13,699	1,658	4,208	5,866	19,565
Advertising and marketing	271	308,012	100,014	88,833	18,628	-	515,758	792	58,669	59,461	575,219
Space rental and vendor fees	5,180	5,000	17,913	181	425,443	-	453,717	-	3,921	3,921	457,638
Telephone	12,888	502	9,102	1,523	1,708	-	25,723	2,243	1,860	4,103	29,826
Supplies	10,952	1,874	20,472	8,405	39,990	-	81,693	6,715	16,426	23,141	104,834
Postage and shipping	384	177,094	61,558	29	3,219	-	242,284	49	19,284	19,333	261,617
Printing and publications	327	443,687	13,876	-	11,137	-	469,027	-	57,296	57,296	526,323
Other	37,888	29,922	22,268	7,421	4,903	-	102,402	16,639	24,066	40,705	143,107
Membership and dues	4,396	1,076	3,173	709	701	-	10,055	1,388	2,904	4,292	14,347
Insurance	8,247	4,103	12,627	2,645	2,103	-	29,725	9,148	11,077	20,225	49,950
Grant expense	3,000	-	170,000	-	-	900,000	1,073,000	-	-	-	1,073,000
Travel & meals	63,254	13,338	79,609	10,007	149,795	-	316,003	3,768	25,608	29,376	345,379
Cost of goods sold	1,745	-	142,513	-	-	-	144,258	-	-	-	144,258
	<u>\$ 939,054</u>	<u>\$2,341,999</u>	<u>\$2,277,121</u>	<u>\$ 371,878</u>	<u>\$ 917,634</u>	<u>\$ 900,000</u>	<u>\$ 7,747,686</u>	<u>\$ 319,124</u>	<u>\$ 736,864</u>	<u>\$1,055,988</u>	<u>\$8,803,674</u>

See notes to financial statements

CARE NET

Statements of Cash Flows

	Year Ended June 30,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 172,983	\$ 1,802
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Realized/unrealized (gain) loss on investments	(85,273)	67,498
Depreciation and amortization	204,065	186,833
Non-cash effect of change in accounting principle	5,250	-
Changes in assets and liabilities:		
Other assets	(163,881)	59,109
Accounts receivable	7,709	26,177
Contributions receivable	50,000	(150,000)
Inventory	(66,942)	(159)
Accounts payable and accrued expenses	109,215	20,293
Accrued payroll and paid time off	148,186	(4,393)
Deferred revenue	212,077	57,600
Due from related organization	98,240	(198,240)
Due to related organization	-	(1,750,000)
Net Cash Provided (Used) by Operating Activities	691,629	(1,683,480)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	-	(40,181)
Proceeds from sale of investments	20,263	-
Digital media production	(61,340)	(234,000)
Purchase of property and equipment	(3,955)	(26,890)
Net Cash Used by Investing Activities	(45,032)	(301,071)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal paid on finance leases	(5,748)	-
Net Cash Used by Financing Activities	(5,748)	-
Net Change in Cash and Cash Equivalents	640,849	(1,984,551)
Cash and Cash Equivalents, Beginning of Year	2,513,332	4,497,883
Cash and Cash Equivalents, End of Year	\$ 3,154,181	\$ 2,513,332
SUPPLEMENTAL DISCLOSURES:		
Right-of-use assets obtained under operating lease	\$ 416,235	\$ -
Right-of-use assets obtained under finance lease	\$ 22,712	\$ -

See notes to financial statements

CARE NET

Notes to Financial Statements

June 30, 2023 and 2022

1. NATURE OF ORGANIZATION:

Care Net was organized and incorporated under the laws of the District of Columbia in 1986. The Organization was originally incorporated as The Christian Action Council Education & Ministries Fund, Inc. D/B/A Care Net and officially changed its name to Care Net in 1999. Care Net was organized to provide training, support, professional assistance, material, and leadership to independent affiliated crisis pregnancy centers and others involved in pro-life work. To achieve its purpose, Care Net focuses its work in a manner consistent with the Biblical and historical teachings of the Christian community concerning the sanctity of human life at all stages of its existence and development.

Care Net is incorporated under the laws of the District of Columbia to operate as a charitable organization within Section 501(c)(3) of the U.S. Internal Revenue Code (Code). Care Net is exempt from federal and state income taxes and contributions are tax deductible within the limitations prescribed by the Code. Care Net has been classified as public organization that is not a private foundation under Section 509(a) of the Code. Contributions are the primary source of support for Care Net.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements have been prepared on the accrual basis of accounting. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts and disclosures. Accordingly, actual results could differ from these estimates. The significant accounting policies followed are described below.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include checking, savings, money market accounts and certificates of deposit with original maturities of three months or less. At June 30, 2023 and 2022, Care Net bank balances exceeded FDIC coverage limits by \$2,054,211 and \$1,341,028, respectively.

OTHER ASSETS

Other asset consist of prepaid insurance, conference expenses and other small expenses paid in advance of use.

INVENTORY

Inventory is stated at the lower of cost of net realizable value.

PROPERTY AND EQUIPMENT

Expenditures for property and equipment in excess of \$500 are capitalized at cost, or if donated, at fair market value on the date of the gift. Depreciation is computed on the straight-line method over their estimated useful lives of three to five years.

DIGITAL MEDIA

Expenditures to create digital media content is capitalized at cost by Care Net as content is produced by Care Net. Amortization of this content is computed based on a three-year life as items are completed and placed in service.

CARE NET

Notes to Financial Statements

June 30, 2023 and 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

NET ASSETS

The financial statements report amounts by class of net assets.

Net assets without donor restriction are those available for operations at the discretion of the Board to be used to further the exempt purposes of Care Net and those invested in property and equipment.

Net assets with donor restriction are funds which have been contributed with donor or grantor stipulations for specific operating purposes, and amounts for which timing restrictions have not been met.

REVENUES AND EXPENSES

Contributions and grant revenue are recorded when cash is received, unconditional promises are made or when ownership of donated assets is transferred. All contributions are considered available for use without donor restrictions, unless specifically restricted by the donor or subject to legal restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Program fees revenue is recorded when earned, and consists primarily of amounts paid for conference fees, resource fees and affiliate fees. Revenue for each source is recognized over the event period, or as sales fees are earned.

ALLOCATION OF EXPENSES

The costs of providing the various program services and supporting activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited based on the amount of hours worked by employees related to each category. The expenses that are allocated include occupancy, personnel costs, and certain office expenses, which are allocated on the basis of estimates of time and effort.

RECENTLY ADOPTED ACCOUNTING STANDARDS

As of July 1, 2022, Care Net adopted the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards update (ASU) 2016-02, *Leases* (Topic 842 of the ASC). The amendments in this update require organizations that lease assets to recognize on the combined statement of financial position the assets and liabilities for the rights and obligations created by the lease. The amendments are effective for fiscal years beginning after December 15, 2021. Care Net adopted this update for the year ended June 30, 2023. Two of Care Nets contracts contain the right to control the use of property or assets and are therefore considered a lease. Care Net elected to adopt the transition relief provisions from ASU 2018-11, *Leases (Topic 842): Targeted Improvements* and recorded the impact of adoption as of July 1, 2022. Care Net also elected the practical expedient to not separate lease and non-lease components and the accounting policy election to exclude short-term leases with lease terms of 12 months or less.

CARE NET

Notes to Financial Statements

June 30, 2023 and 2022

3. INVESTMENTS:

Investments are presented at fair value based on reference to quoted market prices and are as follows:

	June 30,	
	2023	2022
Common stock	\$ 256,780	\$ 212,690
Exchange traded funds	2,983	2,846
Mutual funds	316,564	295,779
Total investments	<u>\$ 576,327</u>	<u>\$ 511,315</u>

4. FAIR VALUE MEASUREMENTS:

Care Net follows accounting standards which establish a framework for measuring fair value. That framework provides a fair value hierarchy that 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 accounting standards are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted market prices for identical assets or liabilities in active markets that Care Net has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The level in the fair value hierarchy within which the fair value measurement is classified is determined based on the lowest level of input that is significant to the fair value measurement in its entirety.

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

	June 30, 2023			
	Total	Level 1	Level 2	Level 3
Common stock	\$ 256,780	\$ 256,780	\$ -	\$ -
Exchange traded funds	2,983	2,983	-	-
Mutual funds	316,564	316,564	-	-
Total investments	<u>\$ 576,327</u>	<u>\$ 576,327</u>	<u>\$ -</u>	<u>\$ -</u>

CARE NET

Notes to Financial Statements

June 30, 2023 and 2022

4. FAIR VALUE MEASUREMENTS, continued:

	June 30, 2022			
	Total	Level 1	Level 2	Level 3
Common stock	\$ 212,690	\$ 212,690	\$ -	\$ -
Exchange traded funds	2,846	2,846	-	-
Mutual funds	295,779	295,779	-	-
Total Investments	\$ 511,315	\$ 511,315	\$ -	\$ -

5. PROPERTY AND EQUIPMENT, NET:

Property and equipment, net consists of the following:

	June 30,	
	2023	2022
Office furniture	\$ 90,070	\$ 90,070
Leasehold Improvements	30,000	30,000
Construction in progress	-	-
Website development costs	140,668	136,708
	260,738	256,778
Less accumulated depreciation	(227,045)	(200,890)
	\$ 33,693	\$ 55,888

6. DIGITAL MEDIA, NET:

Digital media, net consists of the following:

	June 30,	
	2023	2022
Centers of Excellence Materials	\$ 700,272	\$ 694,521
Work in progress	121,128	65,539
	821,400	760,060
Less accumulated amortization	(333,858)	(161,741)
	\$ 487,542	\$ 598,319

CARE NET

Notes to Financial Statements

June 30, 2023 and 2022

7. LINE OF CREDIT:

Care Net has an available line of credit in the amount of \$400,000. Principal is due on demand and interest is payable monthly at the Wall Street Journal prime rate, with a floor of 4.25%. As of June 30, 2023 and 2022, there were no draws on this line.

8. NET ASSETS WITH DONOR RESTRICTIONS:

Restricted by purpose are as follows:

	June 30,	
	2023	2022
Making life disciples project	\$ -	\$ 75,000
Fatherhood pilot project	-	25,000
Other program restrictions	100,000	138,000
Time restriction - contributions and planned gifts receivable	-	12,000
	<u>\$ 100,000</u>	<u>\$ 250,000</u>

9. RETIREMENT PLAN:

Care Net has established a defined contribution 401(k) retirement plan. All employees with at least 6 months of service are eligible to participate in the plan. Care Net matches employee contributions dollar-for-dollar up to 2% of the employee's salary. In addition, Care Net makes an annual discretionary contribution to the plan for each eligible employee of 3% of their compensation. Care Net made contributions to this plan totaling \$116,228 and \$39,513 for the year ended June 30, 2023 and 2022, respectively.

10. SUPPORTING ORGANIZATION/RELATED PARTY:

Care Net Foundation (CNF) was organized for the purpose of supporting Care Net and other public charities. CNF is operated and supported by Care Net. As of June 30, 2022 and 2023, CNF awarded grants to Care Net totaling \$505,000 and \$203,050 respectively. As of June 30, 2023 and 2022, Care Net had grants and other receivables from CNF totaling \$100,000 and \$198,240, respectively. These amounts are recorded as due from related organization in these financial statements.

CARE NET

Notes to Financial Statements

June 30, 2023 and 2022

11. JOINT COSTS:

Care Net has allocated joint costs of providing calls to action and activities that include a fundraising appeal. Since only those activities which include both programmatic and fundraising components are included in the allocation, the amounts below do not include all expenses presented in the statement of functional expenses. The allocation of joint costs is summarized as follows:

	June 30,	
	2023	2022
Public education	\$ 633,036	\$ 402,022
Fundraising	146,373	76,576
	\$ 779,409	\$ 478,598

12. OPERATING LEASE - RIGHT OF USE ASSETS AND OBLIGATIONS:

Care Net leases equipment and office space under one noncancelable operating lease and one noncancelable financing lease expiring at various dates through 2026. The discount rate represents the risk-free discount rate using a period comparable with that of the individual lease terms. Two leases require monthly payments totaling approximately \$18,000 per month. Discount rates on these leases range from .95%-2.41%.

Assets:		June 30, 2023
Operating right-of-use		\$ 240,739
Finance right-of-use		\$ 16,913
Liabilities:		
Operating lease liabilities		\$ 245,873
Finance lease liabilities		\$ 17,081
Weighted-average remaining lease term		‘
Lease cost:		
Finance lease costs:		
Amortization of ROU assets		\$ 5,799
Interest on lease liabilities		192
Operating lease costs		183,729
		\$ 189,720
Weighted-average discount rate		
Operating leases		2.41%
Finance leases		0.95%
Weighted-average remaining lease term		
Operating leases		1.31
Finance leases		2.88

CARE NET

Notes to Financial Statements

June 30, 2023 and 2022

12. OPERATING LEASE - RIGHT OF USE ASSETS AND OBLIGATIONS, continued:

Future minimum lease payments required under operating and finance leases that have an initial or remaining non-cancelable lease term in excess of one year are as follows:

<u>Years Ending June 30,</u>	
2024	\$ 5,940
2025	5,940
2026	5,445
	<hr/>
	17,325
Less: imputed interest	(244)
	<hr/>
	<u>\$ 17,081</u>

13. LIQUIDITY AND AVAILABILITY OF RESOURCES:

The following table reflects Care Net's financial assets as of June 30, 2023, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, if they have contractual or donor-imposed restrictions.

Financial assets:	
Cash and cash equivalents	\$ 3,154,181
Investments	576,327
Accounts receivable	191
Contributions receivable	100,000
Due from related organization	100,000
	<hr/>
	3,930,699
Less those unavailable for general expenditures within on year, due to:	
Contribution receivable due in greater than 1 year	(50,000)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,880,699</u>

14. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through October 31, 2023, which represents the date the financial statements were available to be issued.