

CARE NET

Financial Statements
With Independent Auditors' Report

June 30, 2022 and 2021

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, 2022 and 2021, 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, 2022 and 2021, 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
November 7, 2022

CARE NET

Statements of Financial Position

	June 30,	
	2022	2021
ASSETS:		
Cash and cash equivalents	\$ 2,513,332	\$ 4,497,883
Investments	511,315	538,632
Accounts receivable	7,900	34,077
Contributions receivable	150,000	-
Other assets	118,031	177,140
Inventory	81,444	81,285
Due from related organization	198,240	-
Property and equipment, net	55,888	54,090
Digital media, net	598,319	526,060
Total Assets	<u>\$ 4,234,469</u>	<u>\$ 5,909,167</u>
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	\$ 261,862	\$ 241,569
Accrued payroll and vacation	285,424	289,817
Deferred revenue	647,031	589,431
Due to related organization	-	1,750,000
Total liabilities	<u>1,194,317</u>	<u>2,870,817</u>
Net assets:		
Without donor restrictions	2,790,152	2,874,958
With donor restrictions	250,000	163,392
Total net assets	<u>3,040,152</u>	<u>3,038,350</u>
Total Liabilities and Net Assets	<u>\$ 4,234,469</u>	<u>\$ 5,909,167</u>

See notes to financial statements

CARE NET

Statements of Activities

	Year Ended June 30,					
	Without Donor Restrictions	With Donor Restrictions	2022 Total	Without Donor Restrictions	With Donor Restrictions	2021 Total
SUPPORT AND REVENUE:						
Public support:						
Contributions	\$ 6,013,496	\$ 422,500	\$ 6,435,996	\$ 5,642,815	\$ 330,112	\$ 5,972,927
Grants	998,550	-	998,550	1,041,837	-	1,041,837
Total public support	7,012,046	422,500	7,434,546	6,684,652	330,112	7,014,764
Revenue:						
Conferences	771,809	-	771,809	361,520	-	361,520
Affiliation fees	195,148	-	195,148	173,873	-	173,873
Training	-	-	-	1,582	-	1,582
Resource sales	349,222	-	349,222	377,406	-	377,406
Interest/royalties	1,435	-	1,435	3,531	-	3,531
Investment (loss) income	(58,912)	-	(58,912)	110,702	-	110,702
Speaking honorariums	91,813	-	91,813	50,119	-	50,119
Miscellaneous	20,415	-	20,415	36,474	-	36,474
	1,370,930	-	1,370,930	1,115,207	-	1,115,207
RECLASSIFICATIONS:						
Satisfaction of purpose restrictions	335,892	(335,892)	-	266,720	(266,720)	-
Total support and revenue	8,718,868	86,608	8,805,476	8,066,579	63,392	8,129,971

See notes to financial statements

CARE NET

Statements of Activities

	Year Ended June 30,					
	Without Donor Restrictions	With Donor Restrictions	2022 Total	Without Donor Restrictions	With Donor Restrictions	2021 Total
EXPENSES:						
Program services:						
Center services operations	939,054	-	939,054	771,841	-	771,841
Public education	2,341,999	-	2,341,999	1,935,839	-	1,935,839
Public and center services outreach	2,277,121	-	2,277,121	1,531,894	-	1,531,894
Pregnancy decision line	371,878	-	371,878	334,642	-	334,642
Conference	917,634	-	917,634	528,317	-	528,317
Other program	900,000	-	900,000	1,841,616	-	1,841,616
Total program services	<u>7,747,686</u>	<u>-</u>	<u>7,747,686</u>	<u>6,944,149</u>	<u>-</u>	<u>6,944,149</u>
Supporting activities:						
General and administrative	319,124	-	319,124	324,551	-	324,551
Fundraising	736,864	-	736,864	687,499	-	687,499
Total supporting activities	<u>1,055,988</u>	<u>-</u>	<u>1,055,988</u>	<u>1,012,050</u>	<u>-</u>	<u>1,012,050</u>
Total Expenses	<u>8,803,674</u>	<u>-</u>	<u>8,803,674</u>	<u>7,956,199</u>	<u>-</u>	<u>7,956,199</u>
Change in Net Assets	(84,806)	86,608	1,802	110,380	63,392	173,772
Net Assets, Beginning of Year	<u>2,874,958</u>	<u>163,392</u>	<u>3,038,350</u>	<u>2,764,578</u>	<u>100,000</u>	<u>2,864,578</u>
Net Assets, End 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>

See notes to financial statements

CARE NET

Statements of Cash Flows

	Year Ended June 30,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 1,802	\$ 173,772
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
CARES act PPP loan forgiveness recognized as revenue	-	(472,015)
Realized/unrealized loss (gain) on investments	67,498	(110,475)
Depreciation and amortization	186,833	198,751
Changes in assets and liabilities:		
Other assets	59,109	(76,854)
Accounts receivable	26,177	(393)
Contributions receivable	(150,000)	25,000
Inventory	(159)	(19,411)
Accounts payable and accrued expenses	20,293	20,503
Accrued payroll and paid time off	(4,393)	82,804
Deferred revenue	57,600	284,067
Due from related organization	(198,240)	-
Due to related organization	(1,750,000)	1,670,000
Net Cash (Used) Provided by Operating Activities	(1,683,480)	1,775,749
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(40,181)	(200,051)
Proceeds from sale of investments	-	11,315
Digital media production	(234,000)	(268,579)
Purchase of property and equipment	(26,890)	(56,358)
Net Cash Used by Investing Activities	(301,071)	(513,673)
Net Change in Cash and Cash Equivalents	(1,984,551)	1,262,076
Cash and Cash Equivalents, Beginning of Year	4,497,883	3,235,807
Cash and Cash Equivalents, End of Year	\$ 2,513,332	\$ 4,497,883
SUPPLEMENTAL DISCLOSURES:		
CARES act PPP loan forgiveness recognized as revenue	\$ -	\$ 472,015

See notes to financial statements

Care Net

Statements 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 Functional Expenses

Year Ended June 30, 2021

	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	\$ 535,938	\$ 1,085,296	\$ 704,543	\$ 154,532	\$ 140,034	\$ 1,143	\$ 2,621,486	\$ 175,308	\$ 95,059	\$ 270,367	\$ 2,891,853
Bank fees	438	6,483	20,704	603	26,685	3,126	58,039	533	69,238	69,771	127,810
Professional services	107,982	152,584	376,843	34,971	23,090	11,020	706,490	91,598	153,358	244,956	951,446
Occupancy	6,053	48,392	52,093	8,343	12,681	42,917	170,479	6,813	7,032	13,845	184,324
Depreciation and amortization	19,640	836	174,117	144	219	742	195,698	2,933	122	3,055	198,753
Small equipment and repairs	393	3,161	7,837	644	1,234	5,008	18,277	445	1,892	2,337	20,614
Advertising and marketing	-	-	70,077	123,860	918	2,235	197,090	-	204,475	204,475	401,565
Space rental and vendor fees	362	35	4,503	-	149,822	1,500	156,222	-	349	349	156,571
Telephone	1,305	3,126	9,190	990	2,435	3,004	20,050	1,953	984	2,937	22,987
Supplies	5,980	3,392	14,929	2,246	3,810	3,117	33,474	2,084	5,990	8,074	41,548
Postage and shipping	611	206,850	34,149	10	2,246	1,250	245,116	108	37,829	37,937	283,053
Printing and publications	935	373,709	21,324	-	6,671	2	402,641	810	78,565	79,375	482,016
Other	1,907	40,387	13,753	1,283	4,109	6,909	68,348	33,374	11,130	44,504	112,852
Membership and dues	815	2,515	3,049	434	659	2,230	9,702	723	365	1,088	10,790
Insurance	742	5,935	6,694	1,023	7,945	5,264	27,603	4,633	863	5,496	33,099
Grant expense	-	-	-	-	-	1,750,000	1,750,000	-	-	-	1,750,000
Travel & meals	15,651	3,138	18,089	5,559	145,759	2,149	190,345	3,205	20,248	23,453	213,798
Cost of goods sold	73,089	-	-	-	-	-	73,089	31	-	31	73,120
	<u>\$ 771,841</u>	<u>\$ 1,935,839</u>	<u>\$ 1,531,894</u>	<u>\$ 334,642</u>	<u>\$ 528,317</u>	<u>\$ 1,841,616</u>	<u>\$ 6,944,149</u>	<u>\$ 324,551</u>	<u>\$ 687,499</u>	<u>\$ 1,012,050</u>	<u>\$ 7,956,199</u>

See notes to financial statements

CARE NET

Notes to financial statements

June 30, 2022 and 2021

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, 2022 and 2021, Care Net bank balances exceeded FDIC coverage limits by \$1,341,028 and \$920,015, respectively. Care Net has not experienced any losses on these accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

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 3 years life as items are completed and placed in service.

CARE NET

Notes to financial statements

June 30, 2022 and 2021

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.

CARE NET

Notes to financial statements

June 30, 2022 and 2021

3. INVESTMENTS:

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

	June 30,	
	2022	2021
Common stock	\$ 212,690	\$ 191,267
Exchange traded funds	2,846	15,875
Mutual funds	295,779	331,490
Total investments	<u>\$ 511,315</u>	<u>\$ 538,632</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 the 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, 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	<u>\$ 511,315</u>	<u>\$ 511,315</u>	<u>\$ -</u>	<u>\$ -</u>

CARE NET

Notes to financial statements

June 30, 2022 and 2021

4. FAIR VALUE MEASUREMENTS, continued:

	June 30, 2021			
	Total	Level 1	Level 2	Level 3
Common stock	\$ 487,046	\$ 191,267	\$ 295,779	\$ -
Exchange traded funds	15,875	15,875	-	-
Mutual funds	331,490	331,490	-	-
 Total Investments	 \$ 834,411	 \$ 538,632	 \$ 295,779	 \$ -

5. PROPERTY AND EQUIPMENT, NET:

Property and equipment, net consists of the following:

	June 30,	
	2022	2021
Office furniture	\$ 90,070	\$ 90,070
Leasehold Improvements	30,000	30,000
Construction in progress	-	42,750
Website development costs	136,708	67,068
	256,778	229,888
Less accumulated depreciation	(200,890)	(175,798)
	\$ 55,888	\$ 54,090

6. DIGITAL MEDIA, NET:

Digital media, net consists of the following:

	June 30,	
	2022	2021
Centers of Excellence	\$ 1,066,235	\$ 657,315
Compassion Hope & Help Manual	-	19,736
Work in progress	65,539	299,262
	1,131,774	976,313
Less accumulated amortization	(533,455)	(450,253)
	\$ 598,319	\$ 526,060

CARE NET

Notes to financial statements

June 30, 2022 and 2021

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, 2022 and 2021 there were no draws on this line.

8. NET ASSETS WITH DONOR RESTRICTIONS:

Restricted by purpose are as follows:

	June 30,	
	2022	2021
Making life disciples project	\$ 75,000	\$ 100,000
Pregnancy decision line	-	50,000
Fatherhood pilot project	25,000	-
Other program restrictions	138,000	-
Affiliate portal update	-	13,392
Time restriction - contributions and planned gifts receivable	12,000	-
	<u>\$ 250,000</u>	<u>\$ 163,392</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 \$39,513 and \$36,762 for the year ended June 30, 2022 and 2021, 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, 2021, Care Net had awarded a grant to CNF totaling \$1,750,000, this amount is recorded as due to related organization in these financial statements. As of June 30, 2022 Care Net had grants and other receivables from CNF totaling \$198,240, this amount is recorded as due from related organization in these financial statements.

CARE NET

Notes to financial statements

June 30, 2022 and 2021

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,	
	2022	2021
Public education	\$ 402,022	\$ 260,902
Fundraising	76,576	58,171
	<u>\$ 478,598</u>	<u>\$ 319,073</u>

12. OPERATING LEASE:

Care Net entered into an office space lease commencing November 2019 for a term of 5 years with monthly rental expense of \$15,239 and provides for annual increases of 2%. Total rental expense for the year ended June 30, 2022 and 2021, was \$201,001 and \$182,873, respectively.

Future minimum office rent lease commitment under this lease are as follows for years ending June 30:

2023	\$ 186,525
2024	190,256
2025	194,061
2026	<u>67,274</u>
Total	<u>\$ 638,117</u>

13. LIQUIDITY AND AVAILABILITY OF RESOURCES:

The following table reflects Care Net's financial assets, 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 or due to contractual or donor-imposed restrictions. Care Net's general operations are funded by contributions from donors as well as grants from outside organizations. The financial assets available within one year of June 30, 2022, are as follows:

Financial assets:	
Cash and cash equivalents	\$ 2,513,332
Investments	511,315
Accounts receivable	<u>7,900</u>
Less those unavailable for general expenditures within on year, due to:	
Donor-imposed purpose restrictions	<u>(250,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,782,547</u>

CARE NET

Notes to financial statements

June 30, 2022 and 2021

14. RISKS AND UNCERTAINTIES:

In March of 2020, the World Health Organization declared the outbreak of the coronavirus (COVID-19) as a pandemic which continues to spread throughout the United States. COVID-19 has caused a severe negative impact on the world economy and has contributed to significant declines and volatility in financial markets. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of Care Net for future periods. Management is carefully monitoring the situation and evaluating its options as circumstances evolve.

15. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through November 7, 2022, which represents the date the financial statements were available to be issued.