

There With Care

(a nonprofit Colorado corporation)

Boulder, Colorado

Financial Statements

December 31, 2021 and 2020

There With Care

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Independent Auditor's Report

To the Board of Directors
There With Care
Boulder, Colorado

Opinion

We have audited the accompanying financial statements of There With Care, which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities and net assets, functional expenses, and cash flows for the years then ended, and related notes to the consolidated financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of There With Care as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Consolidated Financial Statements

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

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

Independent Auditor's Report (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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, 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 There With Care'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 There With Care'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.

Brock and Company, CPAs, P.C.

Certified Public Accountants

Fort Collins, Colorado

June 16, 2022

There With Care

Statements of Financial Position

December 31	2021	2020
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 2,055,350	\$ 2,406,006
Investments, at fair value	362,917	447,389
Pledges receivable	33,487	52,764
Other receivables	2,783	-
Inventory	246,853	192,727
Prepaid expenses and other current assets	14,967	25,469
Total current assets	<u>2,716,357</u>	<u>3,124,355</u>
Property and Equipment		
Computers and software	121,585	131,640
Furniture and equipment	44,941	50,427
Vehicles	112,078	109,331
Leasehold improvements	41,064	41,064
	<u>319,668</u>	<u>332,462</u>
Less accumulated depreciation	(204,493)	(183,703)
Net property and equipment	<u>115,175</u>	<u>148,759</u>
Other Assets , long-term deposits	<u>20,671</u>	<u>-</u>
Total assets	<u>\$ 2,852,203</u>	<u>\$ 3,273,114</u>

The accompanying Notes are an integral
part of these financial statements

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Statements of Financial Position (continued)

December 31	2021	2020
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 24,546	\$ 40,217
Accrued compensation and benefits	262,196	234,957
Other accrued liabilities	6,893	4,545
Refundable advances	145,000	347,379
Current maturities of capital lease obligation	2,630	2,477
Current maturities, note payable	3,614	3,614
Total current liabilities	<u>444,879</u>	<u>633,189</u>
Long-Term Liabilities		
Capital lease obligation, net of current maturities	6,529	9,156
Note payable, net of current maturities	3,012	6,627
Deferred rent, long-term	9,262	-
Total long-term liabilities	<u>18,803</u>	<u>15,783</u>
Total liabilities	<u>463,682</u>	<u>648,972</u>
Net Assets		
Without donor restrictions		
Undesignated	2,078,164	2,196,687
Board designated, expansion	116,878	116,878
Total without donor restrictions	<u>2,195,042</u>	<u>2,313,565</u>
With donor restrictions	193,479	310,577
Total net assets	<u>2,388,521</u>	<u>2,624,142</u>
Total liabilities and net assets	<u>\$ 2,852,203</u>	<u>\$ 3,273,114</u>

The accompanying Notes are an integral
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Statements of Activities and Changes in Net Assets

Year ended December 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and Revenue			
Support			
Contributions and grants	1,860,140	373,806	\$ 2,233,946
Special events income	562,551	-	562,551
Special events expense	(212,888)	-	(212,888)
Contributions, in-kind			
Goods	598,124	-	598,124
Services	38,130	-	38,130
	<u>2,846,057</u>	<u>373,806</u>	<u>3,219,863</u>
Revenue			
Chapter fees	20,000	-	20,000
Interest and dividend income	11,073	-	11,073
Unrealized gain on investments	65,531	-	65,531
Other income	1,785	-	1,785
Net assets released from restrictions	490,904	(490,904)	-
Total revenue	<u>589,293</u>	<u>(490,904)</u>	<u>98,389</u>
 Total support and revenue	<u>3,435,350</u>	<u>(117,098)</u>	<u>3,318,252</u>
Functional Expenses			
Program Services	2,710,667	-	2,710,667
Supporting Services			
General and administrative	229,417	-	229,417
Fundraising	613,789	-	613,789
Total functional expenses	<u>3,553,873</u>	<u>-</u>	<u>3,553,873</u>
Change in Net Assets	<u>(118,523)</u>	<u>(117,098)</u>	<u>(235,621)</u>
Net Assets, Beginning of Year	<u>2,313,565</u>	<u>310,577</u>	<u>2,624,142</u>
Net Assets, End of Year	<u>\$ 2,195,042</u>	<u>\$ 193,479</u>	<u>\$ 2,388,521</u>

The accompanying Notes are an integral
part of these financial statements

There With Care

Statements of Activities and Changes in Net Assets

Year ended December 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and Revenue			
Support			
Contributions and grants	1,950,488	371,327	\$ 2,321,815
Special events income	546,096	-	546,096
Special events expense	(148,027)	-	(148,027)
Government grant, Paycheck Protection Program	241,200	-	241,200
Contributions, in-kind			
Goods	449,572	-	449,572
Services	27,759	-	27,759
	<u>3,067,088</u>	<u>371,327</u>	<u>3,438,415</u>
Revenue			
Chapter fees	16,547	-	16,547
Interest and dividend income	21,819	-	21,819
Unrealized gain on investments	27,205	-	27,205
Other income	1,122	-	1,122
Net assets released from restrictions	344,590	(344,590)	-
Total revenue	<u>411,283</u>	<u>(344,590)</u>	<u>66,693</u>
Total support and revenue	<u>3,478,371</u>	<u>26,737</u>	<u>3,505,108</u>
Functional Expenses and Loss			
Functional Expenses			
Program Services	2,222,877	-	2,222,877
Supporting Services			
General and administrative	239,977	-	239,977
Fundraising	510,675	-	510,675
Total functional expenses	<u>2,973,529</u>	<u>-</u>	<u>2,973,529</u>
Loss			
Realized loss on investments	7,746	-	7,746
Total functional expenses and loss	<u>2,981,275</u>	<u>-</u>	<u>2,981,275</u>
Change in Net Assets	497,096	26,737	523,833
Net Assets, Beginning of Year	<u>1,816,469</u>	<u>283,840</u>	<u>2,100,309</u>
Net Assets, End of Year	<u>\$ 2,313,565</u>	<u>\$ 310,577</u>	<u>\$ 2,624,142</u>

The accompanying Notes are an integral
part of these financial statements

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Statements of Functional Expenses

Year ended December 31, 2021

	Program Services	Supporting Services		Total Expenses
		General and Administrative	Fundraising	
Salaries	\$ 1,197,733	\$ 134,921	\$ 426,698	\$ 1,759,352
Payroll taxes and benefits	180,747	20,771	77,209	278,727
Total personnel	1,378,480	155,692	503,907	2,038,079
Family Meal Program	419,584	-	-	419,584
Parent and Sibling Program	237,787	-	-	237,787
Rent	132,650	9,667	14,826	157,143
Office expenses	50,182	8,324	66,235	124,741
Home Maintenance Program	114,997	-	-	114,997
Transportation Program	104,445	-	-	104,445
Other Programs	122,738	-	-	122,738
Information technology	42,550	3,506	10,729	56,785
Utilities	26,225	1,579	2,630	30,434
Automobile expenses	19,300	-	-	19,300
Repairs and maintenance	13,490	1,089	2,823	17,402
Other	-	2,165	10,889	13,054
Insurance	7,842	5,099	-	12,941
Bank and investment fees	-	12,894	-	12,894
Professional services	-	12,501	-	12,501
Chapter expansion	-	10,223	-	10,223
Volunteer expenses	4,366	-	-	4,366
Total expenses before depreciation	2,674,636	222,739	612,039	3,509,414
Depreciation	36,031	6,678	1,750	44,459
Total expenses	\$ 2,710,667	\$ 229,417	\$ 613,789	\$ 3,553,873

The accompanying Notes are an integral
part of these financial statements

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Statements of Functional Expenses

Year ended December 31, 2020

	Program Services	Supporting Services		Total Expenses
		General and Administrative	Fundraising	
Salaries	\$ 922,371	\$ 142,027	\$ 369,254	\$ 1,433,652
Payroll taxes and benefits	154,087	27,527	71,714	253,328
Total personnel	1,076,458	169,554	440,968	1,686,980
Family Meal Program	307,812	-	-	307,812
Parent and Sibling Program	278,398	-	-	278,398
Home Maintenance Program	120,014	-	-	120,014
Rent	102,490	5,918	8,492	116,900
Other Programs	113,099	-	-	113,099
Transportation Program	94,090	-	-	94,090
Office expenses	15,479	1,344	42,128	58,951
Information technology	27,483	5,349	4,034	36,866
Bank and investment fees	-	25,817	-	25,817
Utilities	20,242	1,028	2,054	23,324
Automobile expenses	14,635	-	-	14,635
Professional services	-	14,512	-	14,512
Repairs and maintenance	10,577	586	1,644	12,807
Insurance	4,908	4,561	-	9,469
Other	-	1,618	3,880	5,498
Chapter expansion	-	5,388	-	5,388
Grant consulting	-	-	4,000	4,000
Volunteer expenses	3,222	-	-	3,222
Total expenses before depreciation	2,188,907	235,675	507,200	2,931,782
Depreciation	33,970	4,302	3,475	41,747
Total expenses	\$ 2,222,877	\$ 239,977	\$ 510,675	\$ 2,973,529

The accompanying Notes are an integral
part of these financial statements

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Statements of Cash Flows

Increase (Decrease) in Cash and Cash Equivalents

Years ended December 31	2021	2020
Cash Flows From Operating Activities		
Change in net assets	\$ (235,621)	\$ 523,833
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	44,459	41,747
In-kind contributions in inventory	(192,558)	(157,659)
Noncash investing activities	(65,531)	(19,459)
Loss on disposal of equipment	1,037	-
Increase (decrease) from changes in assets and liabilities		
Receivables	16,494	(37,242)
Inventory	138,432	145,703
Prepaid expenses and other current assets	10,502	(10,218)
Deposits, long-term	(20,671)	-
Accounts payable	(15,671)	26,781
Accrued compensation and benefits	27,239	68,849
Other accrued liabilities	2,348	-
Refundable advances	(202,379)	222,379
Deferred rent	9,262	-
Net cash provided (used) by operating activities	<u>(482,658)</u>	<u>804,714</u>
Cash Flows From Investing Activities		
Proceeds from sales and maturities of investments	200,058	570,271
Purchases of investments	(50,055)	-
Purchases of equipment	(11,912)	(1,850)
Net cash provided by investing activities	<u>138,091</u>	<u>568,421</u>
Cash Flows From Financing Activities		
Payments on capital lease obligation	(2,474)	(2,334)
Payments on note payable	(3,615)	(301)
Net cash used by investing activities	<u>(6,089)</u>	<u>(2,635)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(350,656)	1,370,500
Cash and Cash Equivalents, Beginning of Year	<u>2,406,006</u>	<u>1,035,506</u>
Cash and Cash Equivalents, End of Year	<u>\$ 2,055,350</u>	<u>\$ 2,406,006</u>
Supplemental Information		
Equipment acquired with note payable	\$ -	\$ 10,542

The accompanying Notes are an integral part of these financial statements

There With Care

Notes to Financial Statements

December 31, 2021 and 2020

Note 1 - Nature of Organization and Significant Accounting Policies

Nature of Organization. There With Care ("the Organization") is a Colorado non-profit corporation that was incorporated in 2005 to provide a range of thoughtful and fundamental services to families and children during the critical phase of a medical crisis. The Organization has historically served primarily the Boulder County and metro-Denver regions. During 2021, the Organization began operations in Middle Tennessee.

There With Care serves families with critically ill children by providing basic needs programs that offset financial, economic, and emotional stresses that families experience during a medical crisis. With the help of 900 multi-generational volunteers and dozens of local business partners, There With Care serves an average 180-200 families daily in Colorado and 60-80 families daily in Tennessee. Since 2005, thousands of families have benefitted from There With Care's programs. Families are referred by a licensed social worker at one of about 20 area hospitals and hospice agencies between Colorado and Tennessee. The program goals are to give a family more time together, and to mitigate the stresses that can overwhelm a family during a fragile time. There With Care supports families from the time of diagnosis until the medical crisis has been stabilized. While carefully listening to families in crisis, the overarching goal is to thoughtfully deliver meaningful care to families when they need it most.

Use of Estimates. 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Basis of Accounting. The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Net Asset Classification. The Organization distinguishes between contributions received for each net asset category in accordance with donor-imposed restrictions. The Organization complies with established standards for external reporting by not-for-profit organizations, which requires that resources be classified for reporting purposes into two net asset categories according to externally (donor) imposed restrictions. The two net asset categories are as follows:

Net Assets Without Donor Restrictions. Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net Assets With Donor Restrictions. Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. As of December 31, 2021 and 2020, the Organization does not have any funds that are restricted in perpetuity.

There With Care

Notes to Financial Statements

December 31, 2021 and 2020

Note 1 - Nature of Organization and Significant Accounting Policies (continued)

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Cash and Cash Equivalents. The Organization considers all highly liquid debt instruments with maturities of three months or less to be cash equivalents. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Investments. The Organization's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Organization's management determines the valuation policies utilizing information provided by the investment custodian.

Fair Value Measurements. The Organization reports using fair value measurements, which among other things requires enhanced disclosures about investments that are measured and reported at fair value and establishes a framework for measuring fair value. The 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 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization 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

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurements. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Equity Securities. The Organization values equity securities with readily determinable market values at fair value as determined by quoted market prices on national securities exchanges valued at the closing price on the last business day of the fiscal year. Securities traded on the over-the-counter market are valued at the last reported bid price.

There With Care

Notes to Financial Statements

December 31, 2021 and 2020

Note 1 - Nature of Organization and Significant Accounting Policies (continued)

Debt Securities. The Organization values debt securities with readily determinable market values at fair value as determined by quoted market prices on national securities exchanges valued at the closing price on the last business day of the fiscal year. Securities traded on the over-the-counter market are valued at the last reported bid price.

There have been no changes in the methodologies used at December 31, 2021 and 2020.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

In general, investments are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the investment balances and the amounts reported in the statements of financial position.

Promises to Give. Unconditional promises to give (pledges) are recognized as revenues in the period received. Pledges receivable are recorded at the amount the Organization expects to receive, allowing for estimated uncollectible pledges. The allowance for uncollectible pledges is estimated based on management's review of specific pledges outstanding. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Inventory. Inventory consists of food products, stored value cards for gasoline, bags assembled for various individual and family needs, books, safety products, and other supplies and materials. Inventory is stated at the lower of cost or fair value on the date of donation using the first-in, first-out method, or at market.

Equipment. It is the Organization's policy to capitalize equipment at cost for purchases over \$1,500, while repair and maintenance items are charged to expense. Donations of property and equipment are capitalized at their estimated fair value at the date of gift. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose.

Equipment is depreciated using straight-line methods over the estimated useful lives of the assets, which is generally two to seven years. Depreciation expense for the years ended December 31, 2021 and 2020 was \$44,459 and \$41,747, respectively. Amortization of equipment under capital lease is included in depreciation expense.

There With Care

Notes to Financial Statements

December 31, 2021 and 2020

Note 1 - Nature of Organization and Significant Accounting Policies (continued)

Impairment of Long-Lived Assets. In the event that facts and circumstances indicate that equipment, or other assets, may be impaired, an evaluation of recoverability would be performed. If an evaluation is required, the estimated future undiscounted cash flows associated with the asset are compared to the asset's carrying amount to determine if a write-down to market value would be necessary. No impairment losses were recorded during the years ended December 31, 2021 and 2020.

Revenue Recognition. Payments received for sponsorships that are reciprocal in nature are deferred and recognized as the events occur and services are rendered.

Contributions. Contributions are recognized when the donation is received. Donor-restricted contributions are reported as increases in net assets with restrictions upon receipt of the pledge or contribution. When a restriction expires, net assets with restrictions are reclassified to net assets without restrictions.

Refundable Advances. Grant funding received in advance of incurring related expenses are considered refundable advances and are deferred upon receipt. Revenue is recognized as the related costs are incurred.

Contributed Services. Contributed services are recognized if the services received satisfy the criteria for recognition under accounting principles generally accepted in the United States of America. The contributions of services are recognized if services received (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

Functional Allocation of Expenses. Direct expenses have been allocated to the applicable program for which the expense was incurred. Indirect expenses have been allocated between program and supporting services based on an analysis of personnel time and space utilized for the related activities.

Income Taxes. The Organization is a nonprofit corporation exempt from income taxes as described in Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation. Accordingly, no provision for income taxes has been made.

Management has evaluated the adopted policies and procedures that have been implemented to provide assurance that income is properly characterized and activities that jeopardize its tax exempt status are within limits established under existing tax code and regulations.

Management has determined the effects of uncertain tax positions are not material to the Organization for recognition or disclosure in the accompanying financial statements and, accordingly, no income tax liability has been recorded for uncertain income tax positions in the accompanying financial statements.

There With Care

Notes to Financial Statements

December 31, 2021 and 2020

Note 1 - Nature of Organization and Significant Accounting Policies (continued)

Concentrations. Cash is routinely maintained in excess of federally insured limits, and investments are held at a single brokerage, which is covered by SPIC insurance in amounts exceeding the investment balance.

The Organization receives broad-based community support, and large grants from a limited number of grantors. The grantors and purpose of the grants may vary from year to year, but the Organization relies on the grants to maintain services at the current levels.

Future Accounting Pronouncement. In February 2016, the FASB issued amended guidance for the treatment of leases. The guidance requires lessees to recognize a right-of-use asset and a corresponding lease liability for all operating leases with lease terms greater than one year. The guidance also requires both qualitative and quantitative disclosures regarding the nature of the entity's leasing activities. The guidance will initially be applied using a modified retrospective approach. The amendments in the guidance are effective for fiscal years beginning in 2022.

Reclassifications. Certain amounts in the 2020 statement of activities have been reclassified to conform with reporting for 2021, without affecting the change in net assets.

Subsequent Events. The Organization evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through June 16, 2022, the date at which the financial statements were available for release.

Note 2 - Prior Period Adjustment

Subsequent to the issuance of the financial statements as of December 31, 2020, management discovered certain errors in the accumulation of net assets with donor restrictions. The financial statements as of December 31, 2020, and for the year then ended have been restated to reduce net assets with donor restrictions and increase net assets without donor restrictions by \$168,619 as of December 31, 2020, without affecting total net assets. For the year ended December 31, 2020, contribution and grant support with donor restrictions decreased \$141,000, with a corresponding increase to contribution and grant support without donor restrictions. Net assets released from restrictions increased \$27,619 for 2020.

Note 3 - Liquidity and Available Resources

The Organization receives significant contributions and promises to give that are restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability; maintaining adequate liquid assets to fund near-term operating needs; and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. To achieve these guiding principles, the Organization forecasts its future cash flows and monitors its liquidity monthly.

There With Care

Notes to Financial Statements

December 31, 2021 and 2020

Note 3 - Liquidity and Available Resources (continued)

During the years ended December 31, 2021 and 2020, the level of liquidity and reserves was managed within the guiding principles. The Organization's financial assets available for general expenditures within one year are as follows at December 31:

	<u>2021</u>	<u>2020</u>
Financial assets at year end		
Cash and cash equivalents	\$ 2,055,350	\$ 2,406,006
Investments	362,917	447,389
Pledges receivable	33,487	52,764
Total financial assets	<u>2,451,754</u>	<u>2,906,159</u>
Less amounts not available to be used within one year used for general purposes		
Board designated and restricted funds	<u>310,357</u>	<u>427,455</u>
Financial assets available to meet general expenditures expenditures over the next twelve months	<u>\$ 2,141,397</u>	<u>\$ 2,478,704</u>

In alignment with non-profit best practices, the Organization strives to retain a six month reserve of operating funds to maintain good financial health. This best practice is to protect the vulnerabilities of the Organization from unknown risks caused by financial, environmental or other unknown events that could put the organization in jeopardy of long-term sustainability.

There With Care historically receives approximately 25% of the annual support and revenue in the first six months of each year. The remaining generated support and revenue of 75% is received in the second half of each year, through the fall Annual Signature Events and the year end Annual Giving Campaigns.

The Organization supports families and children facing a life-threatening illness. To do this, the Organization relies on philanthropy to accomplish fundraising goals, and does not have a revenue stream generated through program offerings. The Organization achieves the fundraising goals by nurturing meaningful relationships with individual supporters, foundations and business partners to ensure a balance of consistent incoming revenue.

The Organization builds community around each family in a medical crisis. The Organization relies on an average of \$525,000 annually of in-kind program items to deliver care to families. To accomplish this, the Organization normally facilitates more than 100 community events each year, bringing together the community to collect hundreds of thousands of dollars in diapers, food, cleaning supplies, and other program items. In 2020, due to the COVID19 pandemic, many community events were cancelled. The Organization pivoted to new partners to secure the in-kind contributions. These donated items help to significantly reduce the annual program expenses, and increase the awareness and engagement by the community to support the mission of There With Care.

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Notes to Financial Statements

December 31, 2021 and 2020

Note 4 - Investments

The following table sets forth the unrealized gains and (losses) and estimated fair value of the Organization's investments at December 31, 2021:

	<u>Amortized Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Estimated Fair Value</u>
Equity securities,				
U.S. stocks	\$ 159,868	\$ 108,080	\$ (1,703)	\$ 266,245
Non-U.S. stocks	28,077	18,579	-	46,656
Debt securities,				
corporate bonds	49,360	656	-	50,016
	<u>\$ 237,305</u>	<u>\$ 127,315</u>	<u>\$ (1,703)</u>	<u>\$ 362,917</u>

The following table sets forth the unrealized losses and estimated fair value of the Organization's investments at December 31, 2020:

	<u>Amortized Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Estimated Fair Value</u>
Equity securities,				
U.S. stocks	\$ 159,871	\$ 56,095	\$ (8,629)	\$ 207,337
Non-U.S. stocks	28,077	9,757	-	37,834
Debt securities,				
corporate bonds	196,437	5,781	-	202,218
	<u>\$ 384,385</u>	<u>\$ 71,633</u>	<u>\$ (8,629)</u>	<u>\$ 447,389</u>

Net investment income is as follows for the years ended December 31:

	<u>2021</u>	<u>2020</u>
Interest	\$ 5,236	\$ 16,212
Dividends	5,837	5,607
Realized loss on investments	-	(7,746)
Unrealized gain on investments, net	65,531	27,205
Investment fees	(2,089)	(1,652)
	<u>\$ 74,515</u>	<u>\$ 39,626</u>

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Notes to Financial Statements

December 31, 2021 and 2020

Note 5 - Fair Values

The following table sets forth by level, within the fair value hierarchy, assets valued by the Organization, at fair value, on a recurring basis as of December 31, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity securities,				
U.S. stocks	\$ 266,245	\$ -	\$ -	\$ 266,245
Non-U.S. stocks	46,656	-	-	46,656
Debt securities,				
corporate bonds	50,016	-	-	50,016
In-kind contributions	-	477,666	-	477,666
	<u>\$ 362,917</u>	<u>\$ 477,666</u>	<u>\$ -</u>	<u>\$ 840,583</u>

The following table sets forth by level, within the fair value hierarchy, assets valued by the Organization, at fair value, on a recurring basis as of December 31, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity securities,				
U.S. stocks	\$ 207,337	\$ -	\$ -	\$ 207,337
Non-U.S. stocks	37,834	-	-	37,834
Debt securities,				
corporate bonds	202,218	-	-	202,218
In-kind contributions	-	477,331	-	477,331
	<u>\$ 447,389</u>	<u>\$ 477,331</u>	<u>\$ -</u>	<u>\$ 924,720</u>

In-kind contributions consist of food and other inventory items, and services. Food is valued on a per pound basis using a nationally recognized source. Contributions of other in-kind inventory items and services are estimated based on the purchase cost of comparable items. All in-kind contributions are valued using Level 2 inputs.

Changes in Fair Value Levels. The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

The Organization evaluated the significance of transfers between levels based upon the nature of the financial instruments and size of the transfer relative to total net assets available for benefits. For the years ended December 31, 2021 and 2020, there were no significant transfers in or out of fair value levels.

Note 6 - Note Payable

The Organization has a note payable for a vehicle with outstanding borrowings of \$6,626 and \$10,241 at December 31, 2021 and 2020, respectively. The note is non-interest bearing, and is due in monthly installments of \$301. The agreement is collateralized by a vehicle. The note matures in October 2023.

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Notes to Financial Statements

December 31, 2021 and 2020

Note 6 - Note Payable (continued)

Scheduled maturities of the long-term note payable are as follows at December 31, 2021:

<u>Year</u>	<u>Amount</u>
2022	3,614
2023	3,012
	<u>\$ 6,626</u>

Note 7 - Lease Obligations and Subsequent Event

Capital Lease. The Organization leases office equipment under a noncancelable capital lease obligation. Cost of the equipment and accumulated amortization under capital lease totals \$13,967 and \$5,820, respectively, at December 31, 2021.

Future scheduled minimum lease payments under the capital lease are as follows at December 31, 2021:

<u>Year</u>	<u>Amount</u>
2022	3,108
2023	3,108
2024	3,108
2025	777
	<u>10,101</u>
Less amount representing interest	(942)
	<u>\$ 9,159</u>

Operating Leases. The Organization leases a building in Boulder, Colorado under a noncancelable operating lease. The lease requires monthly base rent payments of \$4,092, and requires the Organization to pay common area costs. Monthly rent payments escalate annually. The lease expires in February 2025. Rent expense under the lease totaled \$86,774 and \$73,714, including common area costs, for the years ended December 31, 2021 and 2020, respectively.

During September 2021, the Organization commenced leasing facilities in Denver, Colorado under a non-cancellable operating lease that expires in January 2027. The lease requires monthly rent payments of \$2,363, and requires the Organization to pay common area costs. The lease provided for a base rent-free period through January 2022. Rent expense recognized on the straight-line basis under the lease totaled \$12,718 for the year ended December 31, 2021.

The Organization leased facilities in Denver, Colorado under an informal month-to-month lease which expired in August 2021. The lease required monthly rent payments of \$1,928, and required the Organization to pay common area costs. Rent expense under the lease totaled \$27,337 and \$24,810 for the years ended December 31, 2021 and 2020, respectively.

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Notes to Financial Statements

December 31, 2021 and 2020

Note 7 - Lease Obligations and Subsequent Event (continued)

In March 2021, the Organization entered a noncancelable operating lease for office space in Nashville, Tennessee. The lease requires monthly rent payments of \$1,948 and expires in March 2024. Rent expense totaled \$19,480 for the year ended December 31, 2021.

Future annual minimum base lease payments required under the noncancelable operating lease are as follows at December 31, 2021:

<u>Year</u>	<u>Amount</u>
2022	\$ 99,898
2023	104,806
2024	99,974
2025	41,976
2026	31,831
Thereafter	2,659
	<u>\$ 381,144</u>

Note 8 - Net Assets With Restrictions

The following summarizes the changes in net assets with restrictions for the years ended December 31, 2021:

	<u>Balance January 1, 2021</u>	<u>Receipts</u>	<u>Releases</u>	<u>Balance December 31, 2021</u>
Funeral Assistance Program	\$ 97,610	\$ 5,538	\$ (15,682)	\$ 87,466
Kyra Cares Program	38,398	5,659	(615)	43,442
Family Assistance Program	32,248	55,000	(62,980)	24,268
Basic Needs Program	654	131,880	(112,534)	20,000
Care Letters Program	8,028	629	-	8,657
Sibling Program	11,469	100	(3,484)	8,085
Meals Program	48,504	50,000	(98,504)	-
Nashville Expansion	25,000	125,000	(150,000)	-
Other program support	48,666	-	(47,105)	1,561
	<u>\$ 310,577</u>	<u>\$ 373,806</u>	<u>\$ (490,904)</u>	<u>\$ 193,479</u>

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Notes to Financial Statements

December 31, 2021 and 2020

Note 8 - Net Assets With Restrictions (continued)

The following summarizes the changes in net assets with restrictions for the years ended December 31, 2020:

	Balance January 1, 2020	Receipts	Releases	Balance December 31, 2020
Funeral Assistance Program	\$ 74,478	\$ 36,142	\$ (13,010)	\$ 97,610
Kyra Cares Program	36,013	6,378	(3,993)	38,398
Family Assistance Program	49,695	61,000	(78,447)	32,248
Basic Needs Program	-	38,500	(37,846)	654
Care Letters Program	5,635	2,393	-	8,028
Sibling Program	15,094	130	(3,755)	11,469
Meals Program	-	131,250	(82,746)	48,504
Nashville Expansion	-	25,000	-	25,000
Other program support	102,925	70,534	(124,793)	48,666
	<u>\$ 283,840</u>	<u>\$ 371,327</u>	<u>\$ (344,590)</u>	<u>\$ 310,577</u>

Note 9 - Special Events

The Organization derived net revenue as follows from special fundraising events for the year ended December 31:

	2021	2020
Gross proceeds	\$ 783,858	\$ 837,900
In-kind contributions of event costs and auction items	180,888	162,623
Contributions, reported separately	(402,195)	(454,427)
Direct costs	(212,888)	(148,027)
Net special event revenue	<u>\$ 349,663</u>	<u>\$ 398,069</u>

Direct costs include in-kind expenses of materials, supplies and facilities, and services as follows for the years ended December 31:

	2021	2020
Materials and supplies	\$ 37,124	\$ 51,983
Facilities	45,000	-
Services	19,438	27,035
	<u>\$ 101,562</u>	<u>\$ 79,018</u>

Note 10 - Retirement Plan

The Organization has a retirement plan under Section 401(k) of the Internal Revenue Code. The plan covers substantially all employees ages 18 and older. The plan allows for elective contributions by the employees. The Organization does not make contributions to the plan.

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Notes to Financial Statements

December 31, 2021 and 2020

Note 11 - Contribution of In-Kind Services

The Organization recorded in-kind services totaling \$57,568 and \$54,794 for the years ended December 31, 2021 and 2020, respectively. The services are charged to direct costs of special events and program services in the accompanying statement of activities as follows for the years ended December 31:

	<u>2021</u>	<u>2020</u>
Direct costs of special events	\$ 19,438	\$ 27,035
Program services	38,130	27,759
	<u>\$ 57,568</u>	<u>\$ 54,794</u>

Note 12 - Risk and Uncertainty

A global pandemic has continued from 2020 into 2022, although with diminishing effects. In response to the crisis, the federal, state, and municipal governments enacted various policies to curtail group gatherings until the risk diminished. The curtailment of group gatherings significantly impacted the form and frequency of fundraising events during 2020 and 2021. Many of the Organization's contributors have been negatively impacted by supply chain uncertainties, labor shortages, and increasing inflation, as has the Organization. The pandemic is ongoing as of the date of these statements.

The federal government has enacted various legislation to mitigate some of the economic effects of the pandemic, including the CARES Act of 2020. The Organization obtained funding under the Paycheck Protection Program (PPP) in April 2020 in the amount of \$241,200. The funds were expended for allowable purposes and the loan was forgiven in April 2021. The funds received have been accounted for as a government grant, and are recorded as support in the accompanying statements of activities and changes in net assets for 2020, as management estimated the forgiveness to be probable at the inception of the agreement.