

There With Care

(a nonprofit Colorado corporation)

Boulder, Colorado

Financial Statements

December 31, 2022 and 2021

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, 2022 and 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and related notes to the 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, 2022 and 2021, 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.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2022 There With Care adopted new accounting guidance pertaining to the accounting for leases. Our opinion is not modified with respect to this matter.

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 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.

Brach and Company, CPAs, P.C.

Certified Public Accountants

Fort Collins, Colorado
May 10, 2023

There With Care

Statements of Financial Position

December 31	2022	2021
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 1,351,629	\$ 2,055,350
Investments, at fair value	283,307	362,917
Pledges receivable, current	405,160	33,487
Other receivables	51,735	2,783
Inventory	309,756	246,853
Prepaid expenses and other current assets	13,282	14,967
Total current assets	<u>2,414,869</u>	<u>2,716,357</u>
Property and Equipment		
Computers and software	135,056	121,585
Furniture and equipment	60,965	44,941
Vehicles	112,078	112,078
Leasehold improvements	41,064	41,064
	<u>349,163</u>	<u>319,668</u>
Less accumulated depreciation	(251,899)	(204,493)
Net property and equipment	<u>97,264</u>	<u>115,175</u>
Other Assets		
Pledges receivable, net of current	88,332	-
Long-term deposits	8,818	20,671
Right-of-use assets, operating leases	264,739	-
Total other assets	<u>361,889</u>	<u>20,671</u>
Total assets	<u>\$ 2,874,022</u>	<u>\$ 2,852,203</u>

The accompanying Notes are an integral
part of these financial statements

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Statements of Financial Position (continued)

December 31	2022	2021
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 57,983	\$ 24,546
Accrued compensation and benefits	342,096	262,196
Other accrued liabilities	12,130	6,893
Refundable advances	125,000	145,000
Current maturities of finance lease liability	2,792	2,630
Current maturities of operating lease liabilities	102,125	-
Current maturities of note payable	3,012	3,614
Total current liabilities	<u>645,138</u>	<u>444,879</u>
Long-Term Liabilities		
Finance lease liability, net of current maturities	3,734	6,529
Operating lease liabilities, net of current maturities	171,922	9,262
Note payable, net of current maturities	-	3,012
Total long-term liabilities	<u>175,656</u>	<u>18,803</u>
Total liabilities	<u>820,794</u>	<u>463,682</u>
Net Assets		
Without donor restrictions		
Undesignated	1,606,622	2,057,898
Board designated, expansion	-	116,878
Total without donor restrictions	<u>1,606,622</u>	<u>2,174,776</u>
With donor restrictions	446,606	213,745
Total net assets	<u>2,053,228</u>	<u>2,388,521</u>
Total liabilities and net assets	<u>\$ 2,874,022</u>	<u>\$ 2,852,203</u>

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part of these financial statements

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Statements of Activities and Changes in Net Assets

Year ended December 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and Revenue			
Support			
Contributions and grants	\$ 2,627,811	\$ 940,081	\$ 3,567,892
Special events income	362,825	-	362,825
Special events expense	(347,708)	-	(347,708)
Contributions, in-kind			
Goods	687,366	-	687,366
Services	74,701	-	74,701
Total support	<u>3,404,995</u>	<u>940,081</u>	<u>4,345,076</u>
Revenue			
Chapter fees	180,000	-	180,000
Interest and dividend income, net of fees	7,708	-	7,708
Net assets released from restrictions	707,220	(707,220)	-
Total revenue	<u>894,928</u>	<u>(707,220)</u>	<u>187,708</u>
 Total support and revenue	<u>4,299,923</u>	<u>232,861</u>	<u>4,532,784</u>
Functional Expenses and Loss			
Functional Expenses			
Program Services	3,999,561	-	3,999,561
Supporting Services			
General and administrative	423,307	-	423,307
Fundraising	414,112	-	414,112
Total functional expenses	<u>4,836,980</u>	<u>-</u>	<u>4,836,980</u>
Loss			
Unrealized loss on investments	31,097	-	31,097
 Total functional expenses and loss	<u>4,868,077</u>	<u>-</u>	<u>4,868,077</u>
 Change in Net Assets	(568,154)	232,861	(335,293)
 Net Assets, Beginning of Year	<u>2,174,776</u>	<u>213,745</u>	<u>2,388,521</u>
 Net Assets, End of Year	<u>\$ 1,606,622</u>	<u>\$ 446,606</u>	<u>\$ 2,053,228</u>

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part of these financial statements

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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	\$ 1,839,874	\$ 394,072	\$ 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
Total support	<u>2,825,791</u>	<u>394,072</u>	<u>3,219,863</u>
Revenue			
Chapter fees	20,000	-	20,000
Interest and dividend income, net of fees	8,984	-	8,984
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>587,204</u>	<u>(490,904)</u>	<u>96,300</u>
 Total support and revenue	<u>3,412,995</u>	<u>(96,832)</u>	<u>3,316,163</u>
Functional Expenses and Loss			
Functional Expenses			
Program Services	2,710,667	-	2,710,667
Supporting Services			
General and administrative	227,328	-	227,328
Fundraising	613,789	-	613,789
Total functional expenses	<u>3,551,784</u>	<u>-</u>	<u>3,551,784</u>
Change in Net Assets	(138,789)	(96,832)	(235,621)
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>\$ 2,174,776</u>	<u>\$ 213,745</u>	<u>\$ 2,388,521</u>

The accompanying Notes are an integral
part of these financial statements

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Statements of Functional Expenses

Year ended December 31, 2022

	Program Services	Supporting Services		Total Expenses
		General and Administrative	Fundraising	
Salaries	\$ 1,660,729	\$ 249,551	\$ 298,136	\$ 2,208,416
Payroll taxes and benefits	278,516	41,851	49,999	370,366
Total personnel	1,939,245	291,402	348,135	2,578,782
Food Security	537,176	-	-	537,176
Patient and Family Essentials	362,645	-	-	362,645
Occupancy	257,291	4,434	5,204	266,929
Transportation Assistance	265,141	-	-	265,141
Contracted services	156,227	81,294	11,913	249,434
Home Stability	200,825	-	-	200,825
Information technology	79,597	9,376	10,773	99,746
Office expenses	59,323	3,194	26,361	88,878
Other expenses	46,418	4,813	2,808	54,039
Marketing	21,032	21,032	-	42,064
Travel and milage	27,344	3,221	3,701	34,266
Other programs	8,750	-	-	8,750
Total expenses before depreciation	3,961,014	418,766	408,895	4,788,675
Depreciation	38,547	4,541	5,217	48,305
Total expenses	\$ 3,999,561	\$ 423,307	\$ 414,112	\$ 4,836,980

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
Food Security	419,584	-	-	419,584
Patient and Family Essentials	237,787	-	-	237,787
Occupancy	172,365	12,335	20,279	204,979
Office expenses	50,182	11,334	66,235	127,751
Other Programs	122,738	-	-	122,738
Home Stability	114,997	-	-	114,997
Transportation Assistance	104,445	-	-	104,445
Information technology	42,550	3,506	10,729	56,785
Other	12,208	25,282	10,889	48,379
Travel and milage	19,300	-	-	19,300
Contracted services	-	12,501	-	12,501
Total expenses before depreciation	2,674,636	220,650	612,039	3,507,325
Depreciation	36,031	6,678	1,750	44,459
Total expenses	\$ 2,710,667	\$ 227,328	\$ 613,789	\$ 3,551,784

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part of these financial statements

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Statements of Cash Flows

Increase (Decrease) in Cash and Cash Equivalents

Years ended December 31	2022	2021
Cash Flows From Operating Activities		
Change in net assets	\$ (335,293)	\$ (235,621)
Adjustments to reconcile change in net assets to net cash used by operating activities		
Depreciation	48,305	44,459
Noncash investing activities	31,097	(65,531)
Loss on disposal of equipment	-	1,037
Increase (decrease) from changes in assets and liabilities		
Receivables	(508,957)	16,494
Inventory	(62,903)	(54,126)
Prepaid expenses and other current assets	1,685	10,502
Deposits, long-term	11,853	(20,671)
Accounts payable	33,437	(15,671)
Accrued compensation and benefits	79,900	27,239
Other accrued liabilities	5,237	2,348
Refundable advances	(20,000)	(202,379)
Operating lease assets and liabilities	46	9,262
Net cash used by operating activities	<u>(715,593)</u>	<u>(482,658)</u>
Cash Flows From Investing Activities		
Proceeds from sales and maturities of investments	53,513	200,058
Purchases of investments	(5,000)	(50,055)
Purchases of equipment	<u>(30,394)</u>	<u>(11,912)</u>
Net cash provided by investing activities	<u>18,119</u>	<u>138,091</u>
Cash Flows From Financing Activities		
Payments on capital lease obligation	(2,633)	(2,474)
Payments on note payable	<u>(3,614)</u>	<u>(3,615)</u>
Net cash used by investing activities	<u>(6,247)</u>	<u>(6,089)</u>
Net Decrease in Cash and Cash Equivalents	(703,721)	(350,656)
Cash and Cash Equivalents, Beginning of Year	<u>2,055,350</u>	<u>2,406,006</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,351,629</u>	<u>\$ 2,055,350</u>

The accompanying Notes are an integral
part of these financial statements

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Notes to Financial Statements

December 31, 2022 and 2021

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 served more than 220 families each day in Colorado and more than 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.

Change in Accounting Principle. On January 1, 2022, the Organization adopted FASB ASU No. 2016-02, *Leases* (Topic 842), which provides guidance on the accounting for leases that superseded previous guidance. Topic 842 requires lessees to recognize leases on the statement of financial position for all leases, including operating leases which were not previously recorded as assets and liabilities, and to disclose key information about leasing arrangements. The new standard establishes a right-of-use (ROU) model that requires a lessee to recognize an ROU asset and lease liability on the balance sheet for all leases with a term longer than 12 months. Leases are now classified as finance, formerly capital, or operating, with classification affecting the pattern and classification of expense recognition in the statement of activities. The Organization adopted ASU 2016-02 under the modified retrospective approach, applying the amendments only to prospective reporting periods. In performing its analysis, the Organization reflected the aggregate effect of all modifications when identifying the lease obligations and ROU assets. The change in accounting method would not have had a material effect on the net assets or the statement of activities as of December 31, 2021, and for the year then ended.

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.

There With Care

Notes to Financial Statements

December 31, 2022 and 2021

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

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, 2022 and 2021, the Organization does not have any funds that are restricted in perpetuity.

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.

There With Care

Notes to Financial Statements

December 31, 2022 and 2021

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

- 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.

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, 2022 and 2021.

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.

There With Care

Notes to Financial Statements

December 31, 2022 and 2021

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

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 \$48,305 and \$44,459, respectively. Amortization of equipment under capital lease is included in depreciation expense.

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, 2022 and 2021.

Revenue Recognition. Payments received for sponsorships that are reciprocal in nature are deferred and recognized as the events occur and performance obligations are satisfied.

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.

There With Care

Notes to Financial Statements

December 31, 2022 and 2021

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

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.

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.

Reclassifications. Certain amounts in the 2021 statements of activities and functional expenses have been reclassified to conform with reporting for 2022, 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 May 10, 2023, the date at which the financial statements were available for release.

Note 2 - Prior Period Restatement

Subsequent to the issuance of the financial statements as of December 31, 2021, management discovered an error in the accounting for restricted contributions and net assets with restrictions. The 2021 financial statements have been restated to increase contributions with restrictions and decrease contributions without restrictions by \$20,266. The restatement increases net assets with restrictions and decreases net assets without restrictions by the same amount.

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.

There With Care

Notes to Financial Statements

December 31, 2022 and 2021

Note 3 - Liquidity and Available Resources (continued)

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.

During the years ended December 31, 2022 and 2021, 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>2022</u>	<u>2021</u>
Financial assets at year end		
Cash and cash equivalents	\$ 1,351,629	\$ 2,055,350
Investments	283,307	362,917
Pledges receivable, current	405,160	33,487
Total financial assets	<u>2,040,096</u>	<u>2,451,754</u>
Less amounts not available to be used within one year used for general purposes		
Board designated and restricted funds	<u>446,606</u>	<u>330,623</u>
Financial assets available to meet general expenditures expenditures over the next twelve months	<u>\$ 1,593,490</u>	<u>\$ 2,121,131</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 significant in-kind program items, \$687,366 donated in 2022, 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. These donated items help to significantly reduce the annual program expenses paid with cash, 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, 2022 and 2021

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, 2022:

	<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	\$ 83,896	\$ (4,795)	\$ 238,969
Non-U.S. stocks	28,077	18,035	(1,774)	44,338
	<u>\$ 187,945</u>	<u>\$ 101,931</u>	<u>\$ (6,569)</u>	<u>\$ 283,307</u>

The following table sets forth the unrealized 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>

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

	<u>2022</u>	<u>2021</u>
Interest	\$ 3,646	\$ 5,236
Dividends	6,310	5,837
Unrealized gain (loss) on investments, net	(31,097)	65,531
Investment fees	(2,248)	(2,089)
	<u>\$ (23,389)</u>	<u>\$ 74,515</u>

Note 5 - Fair Values

The following table sets forth by level, within the fair value hierarchy, assets and contributions valued by the Organization, at fair value, on a recurring basis as of December 31, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity securities,				
U.S. stocks	\$ 238,969	\$ -	\$ -	\$ 238,969
Non-U.S. stocks	44,338	-	-	44,338
In-kind contributions	-	872,558	-	872,558
	<u>\$ 283,307</u>	<u>\$ 872,558</u>	<u>\$ -</u>	<u>\$ 1,155,865</u>

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Notes to Financial Statements

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Note 5 - Fair Values (continued)

The following table sets forth by level, within the fair value hierarchy, assets and contributions 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	-	737,816	-	737,816
	<u>\$ 362,917</u>	<u>\$ 737,816</u>	<u>\$ -</u>	<u>\$ 1,100,733</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, 2022 and 2021, there were no significant transfers in or out of fair value levels.

Note 6 - Pledges Receivable

During 2022, the Organization received pledges for grants and contributions that are receivable over time. Scheduled collections of pledges receivable are as follows at December 31, 2022:

<u>Year</u>	<u>Amount</u>
2023	\$ 405,160
2024	88,332
	<u>\$ 493,492</u>

Management estimates that any valuation allowance is not material to the financial statements.

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Notes to Financial Statements

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Note 7 - Note Payable

The Organization has a note payable for a vehicle with outstanding borrowings of \$3,012 and \$6,626 at December 31, 2022 and 2021, respectively. The note is non-interest bearing, and is due in monthly installments of \$301. The agreement is collateralized by a vehicle and matures in October 2023.

Scheduled maturities of the long-term note payable total \$3,012 and are due in 2023.

Note 8 - Lease Obligations and Subsequent Event

The Company adopted ASC 842 on January 1, 2022 using the modified retrospective approach and recorded increases to opening right-of-use assets and operating lease liabilities of \$370,546. The adoption changed the recognition of lease obligations and right-of-use assets. The adoption did not change retained earnings. The Company elected certain practical expedients allowed under ASC 842 and, accordingly, did not reassess whether any expired or existing contracts are or include leases, or the lease classification of any expired or existing leases, and initial direct costs for any existing leases.

Finance Lease. The Organization leases office equipment under a noncancelable finance lease. Cost of the equipment and accumulated amortization under capital lease totals \$13,967 and \$8,613, respectively, at December 31, 2022.

Operating Leases. The Organization leases a building in Boulder, Colorado under a noncancelable operating lease. The lease requires monthly base rent payments of \$4,235, 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 \$56,221 and \$48,828 for the years ended December 31, 2022 and 2021, respectively. The lease requires the payment of common area costs, which are considered to be non-lease costs.

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 \$29,609 and \$9,262 for the years ended December 31, 2022 and 2021, respectively. The lease requires the payment of common area costs, which are considered to be non-lease costs.

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 \$23,376 and \$19,480 for the years ended December 31, 2022 and 2021, respectively.

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 for the year ended December 31, 2021.

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Notes to Financial Statements

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Note 8 - Lease Obligations and Subsequent Event (continued)

Lease costs consist of the following for the years ended December 31, 2022:

	<u>Amount</u>
Financing lease cost	
Amortization of right-of-use assets	\$ 2,793
Interest on lease liability	478
	<u>3,271</u>
Operating lease cost, straight-line rent	109,206
	<u>\$ 112,477</u>

Supplemental cash flow information for cash paid for amounts included in the measurement of lease liabilities for the year ended December 31, 2022:

	<u>Amount</u>
Operating cash flows from financing leases	\$ 3,108
Operating cash flow from operating leases	\$ 99,898

The weighted average of the remaining lease terms and discount rates are as follows at December 31, 2022:

Remaining lease term, finance lease	2.25 years
Remaining lease term, operating leases	2.91 years
Discount rate, finance lease	6.00%
Discount rate, operating leases	1.22%

The discount rate for financing leases is generally implicit in the lease. The discount rate for the operating lease is estimated based on the most recent financing lease obtained.

Future annual minimum base lease payments required under the noncancelable operating lease are as follows at December 31, 2022:

<u>Year</u>	<u>Financing Lease</u>	<u>Operating Leases</u>	<u>Total</u>
2023	\$ 3,108	\$ 104,806	\$ 107,914
2024	3,108	98,026	101,134
2025	777	41,976	42,753
2026	-	31,831	31,831
2027	-	2,659	2,659
	<u>6,993</u>	<u>279,298</u>	<u>286,291</u>
Less amount representing Interest	(467)	(5,251)	(5,718)
	<u>\$ 6,526</u>	<u>\$ 274,047</u>	<u>\$ 280,573</u>

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Notes to Financial Statements

December 31, 2022 and 2021

Note 9 - Net Assets With Restrictions

The following summarizes the changes in net assets with restrictions for the years ended December 31, 2022:

	Balance January 1, 2022	Receipts	Releases	Balance December 31, 2022
Funeral Assistance Program	\$ 87,466	\$ 3,719	\$ (28,261)	\$ 62,924
Kyra Cares Program	43,442	1,039	(1,543)	42,938
Family Assistance Program	44,268	323,568	(321,617)	46,219
Produce Program	20,266	14,133	(16,206)	18,193
Care Letters Program	8,657	793	-	9,450
Sibling Program	8,085	459	(2,612)	5,932
Other program support	1,561	-	(611)	950
Nashville Expansion	-	336,370	(336,370)	-
Kansas City Expansion	-	260,000	-	260,000
	<u>\$ 213,745</u>	<u>\$ 940,081</u>	<u>\$ (707,220)</u>	<u>\$ 446,606</u>

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

	Balance January 1, 2021	Receipts	Releases	Balance December 31, 2021
Funeral Assistance Program	\$ 97,610	\$ 5,538	\$ (15,682)	\$ 87,466
Kyra Cares Program	38,398	5,659	(615)	43,442
Family Assistance Program	32,902	186,880	(175,514)	44,268
Produce Program	-	20,266	-	20,266
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>\$ 394,072</u>	<u>\$ (490,904)</u>	<u>\$ 213,745</u>

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Notes to Financial Statements

December 31, 2022 and 2021

Note 10 - Special Events

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

	<u>2022</u>	<u>2021</u>
Gross proceeds	\$ 928,888	\$ 783,858
In-kind contributions of event costs and auction items	297,553	180,888
Contributions, reported separately	(863,616)	(402,195)
Direct costs	(347,708)	(212,888)
Net special event revenue (expense)	<u>\$ 15,117</u>	<u>\$ 349,663</u>

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

	<u>2022</u>	<u>2021</u>
Materials and supplies	\$ 47,603	\$ 37,124
Facilities	-	45,000
Services	72,813	19,438
	<u>\$ 120,416</u>	<u>\$ 101,562</u>

Additionally, the Organization received in-kind donations in 2022 valued at \$21,690 for an event to be held in 2023.

Note 11 - 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.

Note 12 - Contribution of In-Kind Services

The Organization receives in-kind services for special events, programs and supporting services. The services are charged to direct costs of special events and to the classification benefitted within functional expenses in the accompanying statement of activities as follows for the years ended December 31:

	<u>2022</u>	<u>2021</u>
Direct costs of special events	\$ 72,813	\$ 19,438
Program services	68,188	38,130
General and administrative	4,035	-
Fundraising	2,478	-
	<u>\$ 147,514</u>	<u>\$ 57,568</u>