

CARE NET

Financial Statements
With Independent Auditor's Report

June 30, 2025 and 2024



CARE NET

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INDEPENDENT AUDITOR'S 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, 2025 and 2024, 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, 2025 and 2024, 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. 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 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 financial statements are available to be issued.

Board of Directors
Care Net
Lansdowne, Virginia

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 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.



Naperville, Illinois
October 24, 2025

CARE NET

Statements of Financial Position

	June 30,	
	2025	2024
ASSETS:		
Cash and cash equivalents	\$ 2,889,157	\$ 3,260,053
Investments	967,450	1,002,554
Contributions receivable	925,000	70,000
Prepaid expenses	419,689	339,474
Other assets	29,675	10,948
Inventory	132,626	163,329
Operating lease right-of-use-assets	62,579	151,214
Financing lease right-of-use-assets	5,316	11,114
Property and equipment, net	382,886	34,118
Digital media, net	297,639	428,026
Total Assets	\$ 6,112,017	\$ 5,470,830
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable	\$ 271,253	\$ 312,361
Accrued expenses	491,695	373,881
Performance obligation liabilities	1,335,979	838,312
Operating lease liability	63,681	152,985
Financing lease liability	5,419	11,275
Total liabilities	2,168,027	1,688,814
Net assets:		
Without donor restrictions	2,860,627	3,722,016
With donor restrictions	1,083,363	60,000
Total net assets	3,943,990	3,782,016
Total Liabilities and Net Assets	\$ 6,112,017	\$ 5,470,830

See notes to financial statements

CARE NET

Statements of Activities

	Year Ended June 30,					
	Without Donor Restrictions	With Donor Restrictions	2025 Total	Without Donor Restrictions	With Donor Restrictions	2024 Total
SUPPORT AND REVENUE:						
Public support:						
Contributions	\$ 6,065,938	\$ 1,210,943	\$ 7,276,881	\$ 6,595,150	\$ 545,658	\$ 7,140,808
Grants	1,295,399	356,000	1,651,399	1,077,050	-	1,077,050
Contributions of nonfinancial assets	270,673	-	270,673	-	-	-
Total public support	7,632,010	1,566,943	9,198,953	7,672,200	545,658	8,217,858
Sales	629,497	-	629,497	398,156	-	398,156
Cost of goods sold	(412,561)	-	(412,561)	(127,742)	-	(127,742)
Gross margin	216,936	-	216,936	270,414	-	270,414
Other revenues:						
Conference fees	949,515	-	949,515	914,664	-	914,664
Affiliation fees	213,681	-	213,681	214,819	-	214,819
Investment income	89,937	-	89,937	82,271	-	82,271
Miscellaneous	144,497	-	144,497	119,677	-	119,677
Total other revenues:	1,397,630	-	1,397,630	1,331,431	-	1,331,431
RECLASSIFICATIONS:						
Satisfaction of purpose restrictions	543,580	(543,580)	-	585,658	(585,658)	-
Total support and revenue	9,790,156	1,023,363	10,813,519	9,859,703	(40,000)	9,819,703

(continued)
See notes to financial statements

CARE NET

Statements of Activities (continued)

	Year Ended June 30,					
	Without Donor Restrictions	With Donor Restrictions	2025 Total	Without Donor Restrictions	With Donor Restrictions	2024 Total
EXPENSES:						
Program services:						
Center services operations	1,306,366	-	1,306,366	1,154,379	-	1,154,379
Public education	1,837,135	-	1,837,135	2,023,895	-	2,023,895
Public and center services outreach	2,524,946	-	2,524,946	2,520,487	-	2,520,487
Pregnancy decision line	1,010,468	-	1,010,468	790,903	-	790,903
Conference	989,792	-	989,792	973,191	-	973,191
ICU Mobile	621,698	-	621,698	-	-	-
Total program services	8,290,405	-	8,290,405	7,462,855	-	7,462,855
Supporting activities:						
Management and general	1,082,976	-	1,082,976	916,637	-	916,637
Fundraising	1,278,164	-	1,278,164	871,330	-	871,330
Total supporting activities	2,361,140	-	2,361,140	1,787,967	-	1,787,967
Total Expenses	10,651,545	-	10,651,545	9,250,822	-	9,250,822
Change in Net Assets	(861,389)	1,023,363	161,974	608,881	(40,000)	568,881
Net Assets, Beginning of Year	3,722,016	60,000	3,782,016	3,113,135	100,000	3,213,135
Net Assets, End of Year	\$ 2,860,627	\$ 1,083,363	\$ 3,943,990	\$ 3,722,016	\$ 60,000	\$ 3,782,016

See notes to financial statements

CARE NET

Statement of Functional Expenses

Year Ended June 30, 2025

	Program Services						Supporting Activities				
	Center Services Operations	Public Education	Public and Center Services	Pregnancy Decision Line	Conference	ICU Mobile	Total Program	Management and General	Fundraising	Total Supporting	Total
Salaries and payroll expenses	\$ 924,535	\$ 1,110,878	\$ 1,149,425	\$ 705,951	\$ 237,232	\$ 371,180	\$ 4,499,201	\$ 869,356	\$ 211,596	\$ 1,080,952	\$ 5,580,153
Professional services	216,169	1,538	732,948	98,450	99,450	98,376	1,246,931	102,171	662,240	764,411	2,011,342
Travel & meals	55,016	13,324	85,287	9,018	401,715	21,426	585,786	18,692	40,465	59,157	644,943
Utilities and maintenance	49,088	8	93,332	37,093	203,158	28,872	411,551	45,813	69,601	115,414	526,965
Printing and publications	1,365	395,917	14,695	174	38	23,625	435,814	-	75,114	75,114	510,928
Promotion	97	155,234	166,269	125,853	-	2,625	450,078	-	29,568	29,568	479,646
Cost of goods sold	-	-	209,114	-	-	203,447	412,561	-	-	-	412,561
Postage and shipping	493	158,115	37,726	103	414	3,462	200,313	677	30,151	30,828	231,141
Digital Media Amortization and Royalties	-	-	139,307	-	-	-	139,307	-	-	-	139,307
Other	59,603	2,121	105,957	33,826	47,785	72,132	321,424	46,267	159,429	205,696	527,120
	<u>1,306,366</u>	<u>1,837,135</u>	<u>2,734,060</u>	<u>1,010,468</u>	<u>989,792</u>	<u>825,145</u>	<u>8,702,966</u>	<u>1,082,976</u>	<u>1,278,164</u>	<u>2,361,140</u>	<u>11,064,106</u>
Less expenses included with revenues on the statements of activities:											
Cost of goods sold	-	-	(209,114)	-	-	(203,447)	(412,561)	-	-	-	(412,561)
Total expenses included in expenses section of the statements of activities	<u>\$ 1,306,366</u>	<u>\$ 1,837,135</u>	<u>\$ 2,524,946</u>	<u>\$ 1,010,468</u>	<u>\$ 989,792</u>	<u>\$ 621,698</u>	<u>\$ 8,290,405</u>	<u>\$ 1,082,976</u>	<u>\$ 1,278,164</u>	<u>\$ 2,361,140</u>	<u>\$10,651,545</u>

See notes to financial statements

CARE NET

Statement of Functional Expenses

Year Ended June 30, 2024

	Program Services					Supporting Activities				
	Center Services Operations	Public Education	Public and Center Services	Pregnancy Decision Line	Conference	Total Program	Management and General	Fundraising	Total Supporting	Total
Salaries and payroll expenses	\$ 866,200	\$ 1,082,362	\$ 1,054,573	\$ 538,711	\$ 219,814	\$ 3,761,660	\$ 547,590	\$ 218,940	\$ 766,530	\$ 4,528,190
Professional services	150,958	71,234	607,164	70,115	39,744	939,215	179,169	389,057	568,226	1,507,441
Travel & meals	32,652	10,834	107,998	10,015	485,609	647,108	8,558	29,228	37,786	684,894
Printing and publications	165	486,677	54,782	-	10,854	552,478	-	105,892	105,892	658,370
Promotion	-	170,289	177,391	111,524	50	459,254	12	37,052	37,064	496,318
Utilities and maintenance	47,288	57,848	76,586	42,966	179,360	404,048	31,064	15,765	46,829	450,877
Postage and shipping	99	117,741	14,583	32	3,199	135,654	32	25,617	25,649	161,303
Digital Media Amortization and Royalties	-	-	133,668	-	-	133,668	-	-	-	133,668
Cost of goods sold	-	-	127,742	-	-	127,742	-	-	-	127,742
Other	57,017	26,910	293,742	17,540	34,561	429,770	150,212	49,779	199,991	629,761
Total	1,154,379	2,023,895	2,648,229	790,903	973,191	7,590,597	916,637	871,330	1,787,967	9,378,564
Less expenses included with revenues on the statements of activities:										
Cost of goods sold	-	-	(127,742)	-	-	(127,742)	-	-	-	(127,742)
Total expenses included in expenses section of the statements of activities	<u>\$ 1,154,379</u>	<u>\$ 2,023,895</u>	<u>\$ 2,520,487</u>	<u>\$ 790,903</u>	<u>\$ 973,191</u>	<u>\$ 7,462,855</u>	<u>\$ 916,637</u>	<u>\$ 871,330</u>	<u>\$ 1,787,967</u>	<u>\$ 9,250,822</u>

See notes to financial statements

CARE NET

Statements of Cash Flows

	Year Ended June 30,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 161,974	\$ 568,881
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Realized/unrealized gain on investments	(84,316)	(82,271)
Depreciation and amortization	179,940	161,366
Donated property and equipment	(372,690)	-
Changes in assets and liabilities:		
Contributions receivable	(855,000)	30,000
Prepaid expenses	(80,215)	(57,561)
Other assets	(18,727)	85,873
Inventory	30,703	(14,943)
Accounts payable	(41,108)	(58,716)
Accrued expenses	117,814	(59,729)
Performance obligation liabilities	497,667	(20,796)
Net Cash (Used) Provided by Operating Activities	(463,958)	552,104
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(62,003)	(345,063)
Proceeds from sale of investments	181,423	1,107
Digital media production	(7,342)	(71,185)
Purchase of property and equipment	(13,160)	(25,158)
Net Cash Provided (Used) by Investing Activities	98,918	(440,299)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal paid on finance leases	(5,856)	(5,933)
Net Cash Used by Financing Activities	(5,856)	(5,933)
Net Change in Cash and Cash Equivalents	(370,896)	105,872
Cash and Cash Equivalents, Beginning of Year	3,260,053	3,154,181
Cash and Cash Equivalents, End of Year	\$ 2,889,157	\$ 3,260,053
SUPPLEMENTAL DISCLOSURES:		
Right-of-use assets obtained under operating lease	\$ -	\$ 95,738
Interest paid on financing lease	\$ 82	\$ 137

See notes to financial statements

CARE NET

Notes to Financial Statements

June 30, 2025 and 2024

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's programs consist of: Center Service Operations, Public Education, Public and Center Services Outreach, Pregnancy Decision Line and Conferences.

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 and grants 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, 2025 and 2024, Care Net bank balances exceeded insured limits by \$1,569,475 and \$2,347,001, respectively.

INVESTMENTS

Investments in common stock, exchange traded funds, mutual funds, and brokered certificates of deposit with readily determinable fair values are recorded at fair value. Investment income and realized and unrealized gains and losses are included in investment income without donor restrictions unless a donor or law restricts their use.

CARE NET

Notes to Financial Statements

June 30, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

CONTRIBUTIONS RECEIVABLE

Unconditional promises to give are recognized as income when made and recorded at fair value based upon estimated future cash flows. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using an interest rate applicable to the years in which the promises are expected to be received. Amortization of the discount is included in contributions in the statements of activities. Due to unknown factors which may affect individual donors' future cash flows, it is reasonably possible that the estimated future cash flows of contributions receivable could increase or decrease by a material amount. Management considers the full balance of contributions receivable to be collectible and has determined the discount on the balance to be immaterial. Therefore, no allowance or discount have been recorded on contributions receivable.

PREPAID EXPENSES

Prepaid expenses consists of prepayments for space rentals, speaker fees, and other expenses, which will be incurred in future periods.

LEASES

Care Net leases office space and equipment. Care Net determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities on the statements of financial position. Finance leases are included in financing lease ROU assets and financing lease liabilities on the statements of financial position.

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, Care Net uses its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that Care Net will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Care Net's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

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Notes to Financial Statements

June 30, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

PROPERTY AND EQUIPMENT, NET

Expenditures for property and equipment in excess of \$2,500 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. Repairs and maintenance are expensed as incurred. The carrying values of property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of impairment during the years ended June 30, 2025 or 2024.

Useful lives used for classes of property and equipment are as follows:

Mobile units and equipment	10 years
Office furniture	3 years
Leasehold Improvements	3 years
Website development costs	3 years

DIGITAL MEDIA, NET

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

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 management 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.

CARE NET

Notes to Financial Statements

June 30, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

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.

Care Net reports gifts of non-financial assets as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash that must be used to acquire long-lived assets are reported as support with donor restrictions. Gifts of non-financial assets are recorded as contributions at their fair values at the date of donation.

For the year ended June 30, 2025, Care Net recognized revenue from contributions of non-financial assets in the amount of \$270,673 for inventory and equipment due to the acquisition of ICU Mobile (see Note 15). The valuation of the inventory and equipment upon the merger was determined by comparing the assets to recent and current sale prices of similar assets. For the year ended June, 2025, Care Net also received contributions of supplies totaling \$31,724 to be used for their national conference. These supplies were valued by comparing items received to prices of similar assets sold.

Conference fees are recognized after the related conference takes place, which is when the related performance obligation is satisfied. Payments for conference fees are due at registration. Sales revenue is recognized as goods are purchased. Affiliation fees are recognized as the affiliation period expires, which is when the related performance obligation is satisfied. Miscellaneous revenue is recognized when earned or when the related performance obligations are satisfied. There were no accounts receivable for services at June 30, 2025 and 2024.

PERFORMANCE OBLIGATION LIABILITIES

Performance obligation liabilities relate to conference fees paid in advance of conferences.

The activity and balances of performance obligation liabilities are as follows:

	June 30,	
	2025	2024
Beginning balance	\$ 838,312	\$ 859,108
Revenue recognized	(838,312)	(859,108)
Payments for future performance obligations	1,335,979	838,312
Ending balance	<u>\$ 1,335,979</u>	<u>\$ 838,312</u>

CARE NET

Notes to Financial Statements

June 30, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

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 and statements of functional expenses. 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. There were no advertising costs during the years ended June 30, 2025 and 2024. See Note 11 regarding joint costs.

3. CONTRIBUTIONS RECEIVABLE:

Contributions receivable are expected to be collected in the following periods:

	June 30,	
	2025	2024
In one year or less	\$ 690,500	\$ 70,000
Between one year and five years	234,500	-
	<u>\$ 925,000</u>	<u>\$ 70,000</u>

4. INVESTMENTS:

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

	June 30,	
	2025	2024
Common stocks	\$ 346,439	\$ 315,295
Exchange traded funds	15,337	6,166
Mutual funds	367,887	344,294
Certificates of deposit	237,787	336,799
Total investments	<u>\$ 967,450</u>	<u>\$ 1,002,554</u>

Investment income consists of the following:

	Year Ended June 30,	
	2025	2024
Realized/unrealized gain on investments	\$ 84,316	\$ 82,271
Interest income	5,621	-
	<u>\$ 89,937</u>	<u>\$ 82,271</u>

CARE NET

Notes to Financial Statements

June 30, 2025 and 2024

5. FAIR VALUE MEASUREMENTS:

Care Net follows accounting standards which establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under accounting standards are described as follows:

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

Level 2 – Inputs to the valuation methodology include:

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

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

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

There were no investments valued using Level 3 inputs at June 30, 2025 and 2024.

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

	June 30, 2025			
	Total	Level 1	Level 2	Level 3
Common stocks	\$ 346,439	\$ 346,439	\$ -	\$ -
Exchange traded funds	15,337	15,337	-	-
Mutual funds	367,887	367,887	-	-
Certificates of deposit	237,787	-	237,787	-
Total investments at fair value	<u>\$ 967,450</u>	<u>\$ 729,663</u>	<u>\$ 237,787</u>	<u>\$ -</u>

CARE NET

Notes to Financial Statements

June 30, 2025 and 2024

5. FAIR VALUE MEASUREMENTS, continued:

	June 30, 2024			
	Total	Level 1	Level 2	Level 3
Common stocks	\$ 315,295	\$ 315,295	\$ -	\$ -
Exchange traded funds	6,166	6,166	-	-
Mutual funds	344,294	344,294	-	-
Certificates of deposit	336,799	-	336,799	-
Total Investments	<u>\$ 1,002,554</u>	<u>\$ 665,755</u>	<u>\$ 336,799</u>	<u>\$ -</u>

Valuation techniques: Fair values for common stocks, exchange traded funds, and mutual funds are determined by reference to quoted market prices and other relevant information generated by market transactions (Level 1). The fair value of certificates of deposit is based on yields currently available on comparable securities of issuers with similar credit ratings (Level 2).

Changes in valuation techniques: None.

6. PROPERTY AND EQUIPMENT, NET:

Property and equipment, net consists of the following:

	June 30,	
	2025	2024
Mobile units and equipment	\$ 372,690	\$ -
Furniture and equipment	105,774	103,408
Leasehold Improvements	37,691	30,000
Website development costs	154,916	152,483
	<u>671,071</u>	<u>285,891</u>
Less accumulated depreciation	<u>(288,185)</u>	<u>(251,773)</u>
	<u>\$ 382,886</u>	<u>\$ 34,118</u>

CARE NET

Notes to Financial Statements

June 30, 2025 and 2024

7. DIGITAL MEDIA, NET:

Digital media, net consists of the following:

	June 30,	
	2025	2024
Centers of Excellence Materials	\$ 899,928	\$ 832,095
Work in progress	-	60,491
	899,928	892,586
Less accumulated amortization	(602,289)	(464,560)
	<u>\$ 297,639</u>	<u>\$ 428,026</u>

8. NET ASSETS WITH DONOR RESTRICTIONS:

Restricted by purpose are as follows:

	June 30,	
	2025	2024
Fatherhood pilot project	\$ 130,296	\$ -
Other program restrictions	28,067	10,000
Time restriction - contributions and planned gifts receivable	925,000	50,000
	<u>\$ 1,083,363</u>	<u>\$ 60,000</u>

9. RETIREMENT PLAN:

Care Net has established a defined contribution 401(k) retirement plan. All employees with at least 6 months of service are eligible to participate in the plan. Care Net matches employee contributions dollar-for-dollar up to 2% of the employee's salary. In addition, Care Net makes an annual discretionary contribution to the plan for each eligible employee of 3% of their compensation. Care Net made contributions to this plan totaling \$167,809 and \$150,133 for the years ended June 30, 2025 and 2024, respectively.

10. RELATED PARTY:

Care Net Foundation (CNF) was organized for the purpose of supporting Care Net and other public charities. During the years ended June 30, 2025 and 2024, CNF awarded grants to Care Net totaling \$180,560 and \$307,855, respectively. As of June 30, 2025 and 2024, Care Net had grants receivable of \$150,000 and \$0 from CNF and other receivables from CNF totaling \$24,986 and \$10,948, respectively. Grants receivable are recorded as contributions receivable and other receivables are recorded as other assets in these financial statements.

CARE NET

Notes to Financial Statements

June 30, 2025 and 2024

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 statements of functional expenses. The allocation of joint costs is summarized as follows:

	June 30,	
	2025	2024
Public education	\$ 1,820,143	\$ 1,857,064
Fundraising	346,369	387,500
	<u>\$ 2,166,512</u>	<u>\$ 2,244,564</u>

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

Care Net leases office space under a noncancelable operating lease expiring June 2027. The discount rate of 4.64% represents the risk-free discount rate using a period comparable with that of the lease term. The lease requires monthly payments from \$2,563 to \$2,800 per month.

Care Net leases equipment under a noncancelable financing lease expiring May 2026. The discount rate of 0.95% represents the risk-free discount rate using a period comparable with that of the lease term. The lease requires monthly payments of \$495 per month.

Care Net leased office space under a noncancelable operating lease that expired October 2024. The discount rate of 2.41% represented the risk-free discount rate using a period comparable with that of the lease term. The lease required monthly payments from \$14,512 to \$17,892 per month.

CARE NET

Notes to Financial Statements

June 30, 2025 and 2024

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

	June 30,	
	2025	2024
Assets:		
Operating right-of-use	\$ 62,579	\$ 151,214
Finance right-of-use	\$ 5,316	\$ 11,114
Liabilities:		
Operating lease liabilities	\$ 63,681	\$ 152,985
Finance lease liabilities	\$ 5,419	\$ 11,275
Lease cost:		
Finance lease costs:		
Amortization of ROU assets	\$ 5,799	\$ 5,799
Interest on lease liabilities	82	137
Operating lease costs	93,071	189,034
	<u>\$ 98,952</u>	<u>\$ 194,970</u>
Weighted-average discount rate		
Operating leases	4.64%	3.77%
Finance leases	0.95%	0.95%
Weighted-average remaining lease term		
Operating leases	1.98	1.88
Finance leases	0.91	1.90

Future minimum lease payments required under operating and finance leases that have an initial or remaining non-cancelable lease term in excess of one year, as of June 30, 2025, are as follows:

	Financing Leases	Operating Leases
<u>Year Ending June 30,</u>		
2026	\$ 5,445	\$ 31,832
2027	-	32,780
2028	-	2,800
	<u>5,445</u>	<u>67,412</u>
Less: imputed interest	<u>(26)</u>	<u>(3,731)</u>
	<u>\$ 5,419</u>	<u>\$ 63,681</u>

CARE NET

Notes to Financial Statements

June 30, 2025 and 2024

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

Care Net elected the practical expedient to not separate lease and non-lease components and the accounting policy election to exclude short-term leases with lease terms of 12 months or less.

13. DONOR CONCENTRATIONS:

During the year ended June 30, 2025, Care Net received approximately 12% of its total public support from ICU Mobile, an organization that was acquired during the year. See Note 15. During the year ended June 30, 2024, Care Net received approximately 19% of its total public support from the top two donors.

14. LIQUIDITY AND AVAILABILITY OF RESOURCES:

The following table reflects Care Net's financial assets as of June 30, 2025, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, if they have contractual or donor-imposed restrictions.

	June 30,	
	2025	2024
Financial assets:		
Cash and cash equivalents	\$ 2,889,157	\$ 3,260,053
Investments	967,450	1,002,554
Contributions receivable	925,000	70,000
	<u>5,706,607</u>	<u>4,402,607</u>
Less those unavailable for general expenditures within on year, due to:		
Donor purpose restrictions	(158,363)	(10,000)
Contributions receivable to be received beyond one year	<u>(234,500)</u>	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 5,313,744</u>	<u>\$ 4,392,607</u>

Care Net structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As part of Care Net's liquidity management, it has established guidelines for making decisions related to managing short term cash reserves in a prudent manner. Care Net also 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%. There were no draws or balance on the line during the years ended June 30, 2025 and 2024.

CARE NET

Notes to Financial Statements

June 30, 2025 and 2024

15. ACQUISITION:

On January 1, 2025, Care Net acquired ICU Mobile in order to reach more women and men at risk for choosing abortion. ICU Mobile was dissolved as an organization at the acquisition date. No consideration was provided as part of the acquisition. In accordance with U.S. GAAP, the assets acquired and liabilities assumed are required to be measured at fair value as of the date of the acquisition. Care Net received a contribution of all asset and liabilities of ICU Mobile, including cash and nonfinancial assets, net of liabilities, in the amount of approximately \$71,000 and \$271,000, respectively. The donated cash and nonfinancial assets did not include any donor restrictions. The fair value on the date of donation of the non-financial assets and liabilities that were contributed to Care Net for the year ended June 30, 2025, were as follows:

Property and equipment	\$ 369,446
Inventory	23,445
Accounts payable	(5,736)
Accrued expenses	(8,766)
Performance obligation liabilities	<u>(107,715)</u>
Excess of fair value of assets acquired over liabilities at the date of acquisition	<u><u>\$ 270,673</u></u>

16. COMMITMENTS:

Care Net enters into contracts with facilities for their annual conference. At June 30, 2025, Care Net had agreements in place for their 2025 and 2026 conferences totaling approximately \$388,000 of which \$275,000 was outstanding. No such agreements were in place at June 30, 2024.

17. SUBSEQUENT EVENTS:

Subsequent to June 30, 2025, in October 2025, Care Net entered into a contract for online event platform services expiring in 2030. The total contract amount was \$190,196.

Subsequent events have been evaluated through October 24, 2025, which represents the date the financial statements were available to be issued.