

**CARE FOR LIFE, INC.**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors:

### **CARE FOR LIFE, INC.**

Gilbert, Arizona

We have reviewed the accompanying financial statements of Care For Life, Inc. (a nonprofit organization), which comprise the statement of financial position – modified cash basis as of December 31, 2023, and the related statements of activities – modified cash basis, functional expenses – modified cash basis, and cash flows – modified cash basis for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible 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.

### **Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Care For Life, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

### **Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the modified cash basis of accounting.

## **Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

*Mansperger, Patterson & Syc Mullin, PLLC*

Tempe, Arizona  
February 11, 2025

**CARE FOR LIFE, INC.**  
**STATEMENT OF FINANCIAL POSITION – MODIFIED CASH BASIS**  
**DECEMBER 31, 2023**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$	301,310
Investments		1,178
		302,488
Total current assets		302,488

**PROPERTY AND EQUIPMENT**

Computers, equipment and furniture		4,855
Building and Land		112,753
Vehicles		116,851
		234,459
Less: accumulated depreciation		(131,802)
Total property and equipment		102,657
		405,145

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accrued expenses (credit cards, payroll taxes)		3,263
		3,263

**NET ASSETS**

Without donor restrictions		383,170
With donor restrictions		18,712
		401,882
	\$	405,145

See Independent Accountants' Review Report.  
The Accompanying Notes are an Integral Part  
of These Financial Statements.

**CARE FOR LIFE, INC.**  
**STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>			
Contributions	\$ 463,614	\$ 98,873	\$ 562,487
Grant Income	6,250	-	6,250
Interest income and other income	2,850	-	2,850
Unrealized loss	(546)	-	(546)
Net assets released from restrictions			
Purpose restrictions met	160,603	(160,603)	-
Total revenues, gains, and other support	632,771	(61,730)	571,041
<b>EXPENSES</b>			
Family preservation program	573,749	-	573,749
Management and general	122,531	-	122,531
Fundraising	53,142	-	53,142
Total expense	749,422	-	749,422
<b>CHANGE IN NET ASSETS</b>	(116,651)	(61,730)	(178,381)
Net assets, beginning of year	499,821	80,442	580,263
<b>NET ASSETS, END OF YEAR</b>	\$ 383,170	\$ 18,712	\$ 401,882

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**CARE FOR LIFE, INC.**  
**STATEMENT OF CASH FLOWS – MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Decrease in net assets	\$ (178,381)
Adjustments to reconcile decrease in net assets to net cash used by operating activities:	
Depreciation	16,677
Increase (decrease) in:	
Accrued expense	<u>2,807</u>
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<u>(158,897)</u>
 <b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>	
Purchase of investments	<u>(1,178)</u>
<b>NET CASH USED BY INVESTMENT ACTIVITIES</b>	<u>(1,178)</u>
 <b>DECREASE IN CASH</b>	 (160,075)
Cash, beginning of year	<u>461,385</u>
 <b>CASH, END OF YEAR</b>	 \$ <u><u>301,310</u></u>

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**CARE FOR LIFE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES – MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>PROGRAM SERVICES</u>		<u>SUPPORTING SERVICES</u>		
	<u>FAMILY PRESERVATION PROGRAM</u>		<u>MANAGEMENT AND GENERAL</u>		<u>FUNDRAISING</u>
					<u>TOTAL</u>
Auto	\$ 28,488	\$ -	\$ -	\$ -	\$ 28,488
Banking/Finance	1,273	1,642	-	-	2,915
Charitable funding	189,720	-	-	-	189,720
Depreciation	16,677	-	-	-	16,677
Insurance	-	3,805	-	-	3,805
Marketing	-	-	-	27,598	27,598
Miscellaneous	1,840	63	-	-	1,903
Payroll expenses	189,393	130	-	-	189,523
Postage and delivery	55	-	-	-	55
Printing and reproduction	4,375	1,655	-	-	6,030
Professional fees	43,101	87,621	25,544	-	156,266
Repair (building & equipment)	1,614	-	-	-	1,614
Software	3,264	9,355	-	-	12,619
Supplies	21,345	40	-	-	21,385
Travel	57,820	17,683	-	-	75,503
Utilities	14,784	537	-	-	15,321
<b>Total expenses</b>	<b>\$ 573,749</b>	<b>\$ 122,531</b>	<b>\$ 53,142</b>	<b>\$ -</b>	<b>\$ 749,422</b>

See Independent Accountants' Review Report.  
The Accompanying Notes are an Integral Part  
of These Financial Statements.

**CARE FOR LIFE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POICIES AND NATURE OF OPERATIONS**

Nature of Activities

Care For Life, Inc. (Organization), a nonprofit organization, began operations in Arizona and in Mozambique, Africa in 2001. The Organization's focus of work is the people of Mozambique and its mission is to alleviate suffering, foster self-reliance, and instill hope in the people of Mozambique. The Organization expanded services into Sudan during 2021. The Organization is supported primarily through donor contributions and grants.

Cash and Cash Equivalents

The Organization considers all short-term highly liquid instruments, which are readily convertible to cash with maturities of three months or less to be cash equivalents.

Investments

Securities classified as available-for-sale may be sold in response to changes in interest rates, liquidity needs, and for other purposes. Available-for-sale securities are carried at fair value. Unrealized gains and losses on investment securities available-for-sale are based on the difference between book value and fair value of each security. These gains and losses are credited or charged to other income. All investments held at December 31, 2023 are classified as available-for-sale.

Foreign Currency Translation

The functional currencies of the Organization are the local currencies which is the Metical. The financial statements of the Organization have been translated into U.S. dollars in accordance with FASB ASC 830, *Foreign Currency Matters*, which establishes a framework for foreign currency matters. All assets have been translated at exchange rates in effect at the balance sheet date. Income statement activity with respect to the foreign operations are converted at the average rate for the year. Foreign currency gain for the year ended December 31, 2023 totaled \$273.

Property and Equipment

The Organization capitalizes property and equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are capitalized at their estimated fair value at the date contributed. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from five years for furniture and vehicles to 39.5 years for buildings.

Depreciation expense for the year ended December 31, 2023 was \$16,677.

**CARE FOR LIFE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS, (CONTINUED)**  
**DECEMBER 31, 2023**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POICIES AND NATURE OF OPERATIONS, (CONTINUED)**

Contributed Services

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization at the residents' facilities, but these services do not meet the criteria for recognition as contributed services.

Contributions

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions.

Basis of Accounting

The accompanying financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. The modified cash basis recognizes revenues when received and expenses when paid, with the exception that certain assets, such as furniture, equipment and buildings, have been capitalized and a provision for accumulated depreciation and amortization has been made.

Revenue Recognition

Contributions received are recorded as without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions.

All donor-restricted contributions are reported as an increase in net assets with donor restrictions. When a 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 and reported in the statement of activities as net assets released from restriction.

Advertising Costs

Advertising costs are expensed as incurred. Total advertising costs incurred during the year ended December 31, 2023 total \$132.

Income Taxes

The Organization is a not-for profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, there is no provision for federal or state income taxes. The organization is required to file tax returns with the Internal Revenue Service and other taxing authorities.

**CARE FOR LIFE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS, (CONTINUED)**  
**DECEMBER 31, 2023**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POICIES AND NATURE OF OPERATIONS, (CONTINUED)**

Cost Allocation

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Expenses are allocated directly to the program or support service benefited.

Subsequent Event

Management has evaluated subsequent events through February 11, 2025, the date the financial statements were available to be issued.

**NOTE 2 - USE OF ESTIMATES IN PREPARATION OF FINANCIAL STATEMENTS**

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts or support and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 3 – CASH**

The Organization maintains cash balances in banks in the U.S. and Mozambique. The U.S. bank balances are insured by the Federal Deposit Insurance Company, while Mozambique banks are not. As of December 31, 2023, the uninsured and uncollateralized cash balance was \$22,227.

**NOTE 4 – INVESTMENTS**

Fair values for investment securities are based on quoted market prices, where available. If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments. Fair values of assets measured at December 31, 2023 are as follows:

<u>Recurring fair value measurements</u>	<u>12/31/23</u>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Common stock	\$ 1,178	\$ 1,178	\$ -	\$ -

See Independent Accountants' Review Report.

**CARE FOR LIFE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS, (CONTINUED)**  
**DECEMBER 31, 2023**

**NOTE 4 – RESTRICTIONS ON NET ASSETS**

The organization received funds to repair and construct homes after Mozambique was hit by a cyclone in 2019. The organization has also received funds related to education for literacy. Net assets with donor restrictions are available for the following purposes:

Subject to expenditure for specified purpose:

Repair and construction of houses	\$ 13,926
Congo development	4,700
Education	<u>86</u>
	<u>\$ 18,712</u>

**NOTE 5 – MAJOR DONORS**

A major donor is any donor providing donations greater than 10% of total support. During the year ended December 31, 2023 the Organization received donations from three major donors totaling approximately \$223,000 which represents approximately 39% of support.