

CaringMatters, Inc.

Financial Statements
and
Independent Auditor's Report

Years Ended June 30, 2025 and 2024

Table of Contents

Independent Auditor's Report	1-2
Financial Statements:	
Statements of Financial Position.....	3-4
Statements of Activities	5-6
Statements of Functional Expenses	7-8
Statements of Cash Flows.....	9
Notes to Financial Statements.....	10-20

Independent Auditor's Report

To the Board of Directors
CaringMatters, Inc.
Gaithersburg, Maryland

Opinion

We have audited the accompanying financial statements of CaringMatters, Inc. (a not-for profit organization) which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of CaringMatters, Inc. as of June 30, 2025, and changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 CaringMatters, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The financial statements of CaringMatters, Inc. as of and for the year ended June 30, 2024 were audited by other auditors whose report dated April 2, 2025 expressed an unmodified opinion on those statements. As more fully described in Note 10 to the financial statements, CaringMatters, Inc. has adjusted its 2024 financial statements to correct an overstatement of deferred revenue and accounts receivable. The other auditors reported on the financial statements before the adjustments.

As part of our audit of the 2025 financial statements, we also audited the adjustments to the 2024 financial statements as described in Note 10. In our opinion, such adjustments were appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to CaringMatters, Inc.'s 2024 financial statements other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2024 financial statements as a whole.

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 CaringMatters, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, 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 CaringMatters, Inc.'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 CaringMatters, Inc.'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.



SNYDER COHN, PC
North Bethesda, Maryland
December 9, 2025

CaringMatters, Inc.
Statements of Financial Position

June 30	2025	2024 (Restated)
Assets		
Current assets:		
Cash and cash equivalents	\$ 291,878	\$ 322,017
Certificates of deposit, short-term	27,840	25,454
Contributions and grants receivable	52,088	94,987
Prepaid expenses	19,250	23,754
Total current assets	<u>391,056</u>	<u>466,212</u>
Property and equipment, net	<u>194,907</u>	<u>56,764</u>
Other assets:		
Investment securities	4,240,880	3,952,918
Certificates of deposit, long-term	55,540	53,661
Cemetery plots	46,522	46,522
Cash surrender value of life insurance	27,233	25,499
Other assets	7,255	9,102
Total other assets	<u>4,377,430</u>	<u>4,087,702</u>
Total assets	<u><u>\$ 4,963,393</u></u>	<u><u>\$ 4,610,678</u></u>

See Accompanying Notes

CaringMatters, Inc.
Statements of Financial Position

June 30	2025	2024 (Restated)
Liabilities and net assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 60,313	\$ 56,738
Deferred revenue	<u>123,038</u>	<u>101,795</u>
Total liabilities	<u>183,351</u>	<u>158,533</u>
Commitments		
Net assets:		
Without donor restrictions		
Board designated	4,369,883	4,052,598
Undesignated	<u>318,870</u>	<u>329,802</u>
Total without donor restrictions	4,688,753	4,382,400
With donor restrictions	<u>91,289</u>	<u>69,745</u>
Total net assets	<u>4,780,042</u>	<u>4,452,145</u>
Total liabilities and net assets	<u>\$ 4,963,393</u>	<u>\$ 4,610,678</u>

See Accompanying Notes

CaringMatters, Inc.
Statement of Activities

For the year ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues:			
Grants, awards and contributions	\$ 464,549	\$ 172,081	\$ 636,630
Special events	536,314	-	536,314
Investment income, net	449,984	-	449,984
Donated services, facilities, and materials	145,595	-	145,595
Other income	2,000	-	2,000
Program fees	586	-	586
Net assets released from restrictions	150,537	(150,537)	-
Total revenues	<u>1,749,565</u>	<u>21,544</u>	<u>1,771,109</u>
Expenses:			
Program services	1,079,955	-	1,079,955
Management and general	90,632	-	90,632
Fundraising	272,625	-	272,625
Total expenses	<u>1,443,212</u>	<u>-</u>	<u>1,443,212</u>
Change in net assets	306,353	21,544	327,897
Net assets - beginning	<u>4,382,400</u>	<u>69,745</u>	<u>4,452,145</u>
Net assets - ending	<u>\$ 4,688,753</u>	<u>\$ 91,289</u>	<u>\$ 4,780,042</u>

See Accompanying Notes

CaringMatters, Inc.
Statement of Activities

For the year ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues:			
Grants, awards and contributions	\$ 442,223	\$ 106,608	\$ 548,831
Special events	442,429	-	442,429
Investment income, net	392,976	-	392,976
Donated services, facilities, and materials	178,585	-	178,585
Other income	9,677	-	9,677
Program fees	641	-	641
Net assets released from restrictions	84,985	(84,985)	-
Total revenues	<u>1,551,516</u>	<u>21,623</u>	<u>1,573,139</u>
Expenses:			
Program services	1,027,249	-	1,027,249
Management and general	107,266	-	107,266
Fundraising	265,471	-	265,471
Total expenses	<u>1,399,986</u>	<u>-</u>	<u>1,399,986</u>
Change in net assets	151,530	21,623	173,153
Net assets - beginning	<u>4,230,870</u>	<u>48,122</u>	<u>4,278,992</u>
Net assets - ending	<u>\$ 4,382,400</u>	<u>\$ 69,745</u>	<u>\$ 4,452,145</u>

See Accompanying Notes

CaringMatters, Inc.

Statement of Functional Expenses

For the year ended June 30, 2025

	Volunteer Helping Hands	Children's Bereavement	Adult Bereavement	All Other Programs	Total Programs	Management and General	Fundraising	Total
Salaries	\$ 200,276	\$ 188,777	\$ 131,519	\$ 171,625	\$ 692,197	\$ 60,146	\$ 37,663	\$ 790,006
Special events	1,276	1,429	891	1,127	4,723	363	205,670	210,756
Employee benefits	8,918	23,889	14,851	15,932	63,590	7,975	5,009	76,574
Rent	20,216	22,638	14,120	17,865	74,839	5,752	4,234	84,825
Payroll taxes	15,042	12,511	9,589	12,231	49,373	3,951	2,632	55,956
Computer expenses	9,300	10,583	6,495	9,589	35,967	2,646	2,590	41,203
Professional fees	4,515	7,778	3,154	3,990	19,437	1,285	2,616	23,338
Insurance general	5,771	6,463	4,031	3,366	19,631	1,642	1,209	22,482
Depreciation and amortization	1,820	2,990	1,950	4,549	11,309	1,170	519	12,998
Office expenses	1,603	1,813	1,119	1,416	5,951	1,455	411	7,817
Advertising and marketing	-	191	-	263	454	18	-	472
Repairs and maintenance	2,283	2,557	1,595	2,206	8,641	650	478	9,769
Supplies	5,529	30,603	5,124	1,360	42,616	-	-	42,616
Utilities	7,517	8,914	5,929	6,885	29,245	2,133	1,570	32,948
All other expenses	6,892	5,631	3,531	5,928	21,982	1,446	8,024	31,452
Total expenses	\$ 290,958	\$ 326,767	\$ 203,898	\$ 258,332	\$ 1,079,955	\$ 90,632	\$ 272,625	\$ 1,443,212

See Accompanying Notes

CaringMatters, Inc.

Statement of Functional Expenses

For the year ended June 30, 2024

	Volunteer Helping Hands	Children's Bereavement	Adult Bereavement	All Other Programs	Total Programs	Management and General	Fundraising	Total
Salaries	\$ 201,448	\$ 180,816	\$ 133,004	\$ 156,785	\$ 672,053	\$ 54,727	\$ 34,865	\$ 761,645
Special events	583	487	357	18,162	19,589	-	188,613	208,202
Employee benefits	12,256	16,931	14,440	12,940	56,567	7,672	4,813	69,052
Rent	7,721	19,133	11,774	22,636	61,264	9,425	7,854	78,543
Payroll taxes	15,174	11,950	9,828	11,324	48,276	4,041	2,505	54,822
Computer expenses	15,903	12,920	9,155	9,682	47,660	3,616	6,492	57,768
Professional fees	10,350	3,384	2,105	5,429	21,268	15,889	1,448	38,605
Insurance general	764	2,335	1,566	4,041	8,706	6,875	441	16,022
Depreciation and amortization	1,131	1,858	1,212	2,828	7,029	728	324	8,081
Office expenses	798	2,405	813	1,494	5,510	247	228	5,985
Advertising and marketing	371	841	227	365	1,804	90	156	2,050
Repairs and maintenance	1,320	4,035	2,706	6,985	15,046	1,358	763	17,167
Supplies	2,292	13,706	3,956	425	20,379	-	-	20,379
Utilities	872	2,665	1,787	4,614	9,938	803	506	11,247
All other expenses	10,080	7,986	9,320	4,774	32,160	1,795	16,463	50,418
Total expenses	\$ 281,063	\$ 281,452	\$ 202,250	\$ 262,484	\$ 1,027,249	\$ 107,266	\$ 265,471	\$ 1,399,986

See Accompanying Notes

CaringMatters, Inc.

Statements of Cash Flows

For the years ended June 30	2025	2024 (Restated)
Cash flows from operating activities:		
Change in net assets	\$ 327,897	\$ 173,153
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	12,998	8,081
Donation of investment securities	(21,450)	-
Realized and unrealized gains on investments	(352,802)	(300,773)
Interest income reinvested	(4,265)	(1,630)
(Increase) decrease in:		
Contributions and grants receivable	42,899	(10,538)
Prepaid expenses	4,504	(9,926)
Cash surrender value of life insurance	(1,734)	(1,649)
Other assets	1,847	(4,793)
Increase (decrease) in:		
Accounts payable and accrued expenses	3,575	(4,605)
Agency funds	-	(4,008)
Deferred revenue	21,243	56,893
Net cash provided by (used in) operating activities	34,712	(99,795)
Cash flows from investing activities:		
Purchase of investments	(472,518)	(406,220)
Proceeds from sale of investments	558,808	548,917
Purchase of property and equipment	(151,141)	(5,250)
Net cash provided by (used in) investing activities	(64,851)	137,447
Net increase (decrease) in cash and cash equivalents	(30,139)	37,652
Cash and cash equivalents - beginning	322,017	284,365
Cash and cash equivalents - ending	\$ 291,878	\$ 322,017
Supplemental disclosure of cash flow information:		
Cash paid during the year for:		
Interest	\$ -	\$ -

See Accompanying Notes

CaringMatters, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

Note 1: Summary of significant accounting policies:

CaringMatters, Inc. (the "Organization") is a volunteer-intensive, community-wide, coalition model, non-medical hospice program established in 1988 to provide volunteer hospice support services to all residents of Montgomery County, Maryland. These services are provided at no cost to the patients and their families. The mission of the Organization is to offer caring programs and services to Montgomery County adults and children who are facing a life-threatening illness or grieving the death of a loved one; to provide compassionate, practical and high-quality support that is guided by, and responsive to, the community's needs; and to continually develop and maintain a non-profit volunteer driven organization funded by contributions, grants, and special events.

Basis of accounting - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

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 the reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Basis of presentation - The Organization is required to report information regarding its financial position and activities according to two classes of net assets. Net assets of the Organization and changes therein are classified as follows:

Net assets without donor restrictions - Net assets that are not subject to stipulations. The Board of Directors will, at times, designate certain of these net assets for a particular purpose of the Organization. These net assets are shown separately in the statements of financial position.

Net assets with donor restrictions - Net assets subject to stipulations that will be met either by actions of the Organization and/or the passage of time. Other donors impose restrictions that are perpetual.

Cash and cash equivalents - The Organization considers all investments with an original maturity of three months or less to be cash equivalents with the exception of funds held for long-term purposes.

Investment securities - The Organization considers all investments with an original maturity greater than three months and less than twelve months to be short-term investments. Investments with an original maturity date of greater than twelve months are recorded as long-term investments. Certificates of deposit are reported at cost plus accrued interest thereon.

CaringMatters, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

Note 1: Summary of significant accounting policies: (continued)

Investment securities (continued) - Purchases and sales of securities are recorded on trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Organization's gains and losses on investments bought and sold as well as held during the year.

Contributions receivable - Unconditional promises to give that are expected to be collected within one year are recorded as contributions receivable 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 flow. Conditional promises to give are not included as support until the conditions are substantially met. In management's option, all receivables, if any, as of June 30, 2025 and 2024 were fully collectible.

Grants receivable - The Organization receives grants from various entities. Management believes that all grants receivable as of June 30, 2025 and 2024 were fully collectible. All grants as of June 30, 2025 are expected to be collected within one year.

Property and equipment - Property and equipment are stated at cost. The Organization capitalizes expenditures on property and equipment in excess of \$500. Depreciation of property and equipment is calculated using the straight-line method based on the asset's useful life. Amortization for leasehold improvements is calculated using the straight-line method based on the leasehold improvement's useful life, not to exceed the term of lease agreement.

Cemetery plots - The Organization is the owner of cemetery plots which are recorded as an asset at their estimated fair value. Donation of a plot to a needy family, if any, is recognized as a reduction of the cemetery plot asset and an increase in donated cemetery plot expense. Sale of plot, if any, is recognized as a reduction of the cemetery plot asset, increase in donated cemetery plot expense, and other income.

Contributions - Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Conditional contributions are recorded when the conditions have been met. Donor-restricted contributions are reported as increases in net assets with restrictions. When a restriction expires, either by satisfaction of purpose or by the passage of time, net assets with donor restrictions are reclassified to net assets without donor restrictions.

CaringMatters, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

Note 1: Summary of significant accounting policies: (continued)

Deferred revenue - Deferred revenue consists of payments received by the Organization for events to be held subsequent to year-end. Deferred revenue is recognized as revenue in the statements of activities upon completion of the event. The beginning and ending balances of deferred revenue are as follows:

July 1, 2023	\$	44,902
June 30, 2024, restated		101,795
June 30, 2025		123,038

Grants - The Organization receives grants from various grantors. All grants received are considered available for the Organization's general programs unless specifically restricted by the grantor. Amounts received that are designated for future periods or restricted by the grantor are reported as donor restricted support and increase the respective class of net assets. When restrictions imposed by grantors are fully satisfied, net assets with donor restrictions are reclassified as net assets without donor restrictions.

Revenue recognition - Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as restricted support, if they are received with donor stipulations that limit the use of the donated assets, or if they are designated for future periods. When a donor's 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 restrictions.

Sources of revenue from contracts with customers include an exchange element of tickets purchased for special events and other income. All remaining sources of support and revenue are contributions. Special events revenue consisting of donations collected during special events are recognized at the point in time the event takes place.

Functional allocation of expenses - The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying financial statements. Costs that can be identified with particular programs or support functions are charged directly to that program or function. Salaries and related costs and other costs have been allocated to program services and to support services based upon management's best estimates.

Donated services, facilities and materials - The City of Gaithersburg has donated the right of use of its facilities. The value of this donation has been included in the financial statements as current period revenue and expenses and has been valued at the estimated fair market rent as determined by the city.

CaringMatters, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

Note 1: Summary of significant accounting policies: (continued)

Donated services, facilities and materials (continued) - Donated materials and equipment are recorded as contributions at their estimated values at the date of receipt. The Organization recognizes donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Such donations are reported as support 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 support 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 as instructed by the donor. The Organization reclassifies net assets with donor restrictions as net assets without donor restrictions at that time.

The Organization receives a significant amount of donated services from unpaid volunteers who assist in provided program services. No amounts have been recognized in the statement of activities because the criteria for recognition have not been satisfied.

Concentrations of credit risk - Financial instruments that potentially subject the Organization to concentrations of credit risk consist primarily of cash equivalents, certificates of deposit and investment securities. The Organization places its cash equivalents, certificates of deposit and investment securities with high-quality institutions and, by policy, limits the amount of credit exposure to any one institution. At times, the balances may exceed federally insured limits. However, management believes the Organization is not exposed to any significant credit risk related to cash.

Allowance for credit losses - The Financial Accounting Standards Board issued *Accounting Standards Update No. 2016-13, Financial Instruments - Credit Losses (Topic 326) (FASB ASC 326)* which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Organization that are subject to the guidance in FASB ASC 326 were accounts receivable.

CaringMatters, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

Note 1: Summary of significant accounting policies: (continued)

Leases - The Organization is lessee of noncancellable operating leases for office space. The Organization determines if an arrangement is a lease, or contains a lease, at inception of a contract and when terms of an existing contract are changed. The Organization determines if an arrangement conveys the right to use an identified asset and whether the Organization obtains substantially all of the economic benefits from and has the ability to direct the use of the asset. The Organization recognizes a lease liability and right-of-use asset at the commencement of date of the lease. The Organization has elected for all underlying classes of assets, to not recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less, but greater than 1 month at lease commencement, and do not include an option to purchase the underlying asset that the Organization is reasonably certain to exercise. The Organization recognizes lease cost associated with short-term leases on a straight-line basis over the lease term.

Fair value measurements - The FASB Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, provides the 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 FASB ASC 820 are described as follows:

Level 1 - inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 - inputs to the valuation methodology include:

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

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 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 measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

CaringMatters, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

Note 1: Summary of significant accounting policies: (continued)

Fair value measurements (continued) - Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of June 30, 2025.

Exchange traded fund: Valued at the closed price reported on the active market.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although management believes its valuation methods are 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.

Income taxes - The Organization accounts for the effect of any uncertain tax positions based on a "more likely than not" threshold to the recognition of the tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax effect is estimated based on a "cumulative probability assessment" that aggregates the estimated tax liability for uncertain tax positions. Interest and penalties, if any, are accrued as a component of general and administrative expenses when assessed. The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. Similar to other tax-exempt organizations, the Organization is subject to tax on unrelated business income. Tax years prior to 2022 are no longer subject to examination by taxing authorities.

Risks and uncertainties - The Organization invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, credit and overall market volatility risks. Due to the level of risk associated with certain securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the Organization's account balances and amounts reported in the statements of financial position.

Reclassifications - Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements. Net assets and changes in net assets are unchanged due to these reclassifications.

CaringMatters, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

Note 2: Liquidity and availability:

The Organization's financial assets available for general expenditures within one year of the accompanying statements of financial position are as follows:

	<u>2025</u>	<u>2024</u> (Restated)
Financial assets, at year-end		
Cash and cash equivalents	\$ 291,878	\$ 322,017
Contributions and grants receivable	52,088	94,987
Certificates of deposit	27,840	25,454
Investment securities	<u>4,240,880</u>	<u>3,952,918</u>
Financial assets available at June 30	4,612,686	4,395,376
Less those unavailable for general expenditures within one year, due to contractual or donor-imposed restrictions:		
Restricted by donor for specific purpose	<u>(91,289)</u>	<u>(69,745)</u>
Financial assets available for general expenditures within one year	<u>\$ 4,521,397</u>	<u>\$ 4,325,631</u>

The Organization is substantially supported by restricted grants and contributions. Because grants and contributions require resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The Organization's Board of Directors has designated net assets without donor restrictions for special projects and expenditures as deemed appropriate by the board. The Board of Directors will approve if circumstances warrant it, the liquidation of securities above the 4% authorized to use for programs, to meet general expenditures.

CaringMatters, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

Note 3: Investment securities:

The following tables set forth by level, within the fair value hierarchy, the Organization's investments at fair value as of June 30, 2025 and 2024:

Investments at Fair Value as June 30, 2025				
	Level 1	Level 2	Level 3	Total
Exchange traded funds				
Fixed income	\$ 1,459,812	\$ -	\$ -	\$ 1,459,812
Small-cap	84,805	-	-	84,805
Mid-cap	214,842	-	-	214,842
Growth	691,216	-	-	691,216
International	1,046,498	-	-	1,046,498
Valuation	743,707	-	-	743,707
Total	\$ 4,240,880	\$ -	\$ -	\$ 4,240,880

Investments at Fair Value as June 30, 2024				
	Level 1	Level 2	Level 3	Total
Exchange traded funds				
Fixed income	\$ 1,521,011	\$ -	\$ -	\$ 1,521,011
Small-cap	155,414	-	-	155,414
Mid-cap	115,782	-	-	115,782
Growth	601,806	-	-	601,806
International	1,055,559	-	-	1,055,559
Valuation	503,346	-	-	503,346
Total	\$ 3,952,918	\$ -	\$ -	\$ 3,952,918

Investment return for years ended June 30, 2025 and 2024 and is summarized as follows:

	2025	2024
Interest and dividends	\$ 120,425	\$ 114,131
Net realized and unrealized gains	352,802	300,773
Investment management fees	(23,243)	(21,928)
Net investment income	\$ 449,984	\$ 392,976

CaringMatters, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

Note 4: Property and equipment:

A summary of property and equipment as of June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Leasehold improvements	\$ 577,649	\$ 444,046
Furniture and equipment	<u>90,355</u>	<u>81,561</u>
Total	668,004	525,607
Less: accumulated depreciation and amortization	<u>(473,097)</u>	<u>(468,843)</u>
Property and equipment, net	<u>\$ 194,907</u>	<u>\$ 56,764</u>

Depreciation and amortization for the years ended June 30, 2025 and 2024 was \$12,998 and \$8,081, respectively.

Note 5: Net assets with donor restrictions:

Net assets with donor restrictions that are subject to appropriation and expenditure when a specific event occurs or the passage of time for the years ended June 30:

	<u>2025</u>	<u>2024</u>
Cemetery plots	\$ 46,522	\$ 46,522
Just rides	26,667	-
Camp Erin	16,500	-
Subject to the passage of time	-	21,623
Volunteer helping hands	<u>1,600</u>	<u>1,600</u>
Total net assets with donor restrictions	<u>\$ 91,289</u>	<u>\$ 69,745</u>

CaringMatters, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

Note 5: Net assets with donor restrictions: (continued)

Net assets with donor restrictions were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of the passage of time or other events specified by the donor, for the years ended June 30:

	<u>2025</u>	<u>2024</u>
<u>Purpose restrictions accomplished</u>		
Capital improvements	\$ 54,619	\$ -
Just rides	14,633	30,000
Good grief club	15,000	20,000
Camp Erin	23,662	19,985
Family grief nights	10,000	10,000
Volunteer helping hands	11,000	5,000
	<u>21,623</u>	<u>-</u>
Passage of time		
	<u>21,623</u>	<u>-</u>
Total restrictions released	<u>\$ 150,537</u>	<u>\$ 84,985</u>

Note 6: Board designated funds:

The Organization's Board of Directors has designated net assets without donor restrictions for special projects and expenditures as deemed appropriate by the board. Although these funds are available to the Organization without donor-imposed stipulation, expenditures from these board designated net assets require board approval. The board has authorized the Organization to include up to 4% of these funds annually for use to fund programs. The board designated funds as of June 30, 2025 and 2024, were \$4,369,883 and \$4,052,598, respectively.

Note 7: Commitments:

In 2001, CaringMatters, Inc. entered into an operating lease with the City of Gaithersburg for a building and land owned by the City called "the Cottage". Thus, the building and land are not assets of the Organization and are not reflected in the accompanying financial statements. The organization utilizes the premises to operate a community outreach program located at the Cottage. The lease expires on December 31, 2035. Under the terms of the agreement, the Organization is to pay \$1 rent annually which has been paid in full through the end of the lease term. In addition, the Organization is to develop, operate and maintain the facility pursuant to the obligations of lessor and lessee as outlined in the lease.

CaringMatters, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

Note 8: Donated services, materials, and use of facilities:

The Organization received in-kind contributions of professional services, materials, and use of facilities that are recorded in the accompanying Statements of Activities. Such in-kind contributions consisted of the following for the years ended June 30:

	<u>2025</u>	<u>2024</u>
Use of facilities	\$ 84,825	\$ 78,544
Gala and other special event items	41,864	84,991
Professional services	<u>18,906</u>	<u>15,050</u>
Total	<u>\$ 145,595</u>	<u>\$ 178,585</u>

Note 9: Retirement plan:

Starting July 1, 2018, the Organization established a Simple IRA plan. In accordance with the Plan document, the Organization makes discretionary matching contributions not to exceed 3% of eligible employee compensations. Total retirement plan employer matching contributions for the years ended June 30, 2025 and 2024 were \$19,656 and \$18,481, respectively.

Note 10: Prior period adjustment:

Management has determined that in the previously issued financial statements as of and for the year ended June 30, 2024, deferred revenue and accounts receivable were overstated because amounts related to special events were improperly recorded in both deferred revenue and accounts receivable. Since deferred revenue represents amounts that should have been received prior to year-end, both deferred revenue and accounts receivable required restatement with a decrease of \$70,200. Net assets and changes in net assets are unchanged due to these adjustments.

Note 11: Subsequent events:

The Organization has evaluated events and transactions for potential recognition or disclosure through December 9, 2025, the date the financial statements were available to be issued.

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