FIRST CARE FAMILY RESOURCES, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED

DECEMBER 31, 2023 AND 2022

Divine
Blalock
Martin
Sellari
LLC
Est. in 1932

FIRST CARE FAMILY RESOURCES, INC.
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Divine Blalock Martin Sellari LLC
Est. in 1932

Certified Public Accountants and Consultants
580 Village Boulevard, Suite 110
West Palm Beach, FL 33409
Phone: (561) 686-1110 Fax: (561) 686-1330
info@dbmscpa.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
First Care Family Resources, Inc.
West Palm Beach, Florida

Opinion

We have audited the accompanying financial statements of First Care Family Resources, Inc. (a nonprofit organization) which comprise the statements of financial position as of December 31, 2023 and 2022 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 First Care Family Resources, Inc as of December 31, 2023 and 2022, and the results of its operations 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 First Care Family Resources, Inc 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 First Care Family Resources 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 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, 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 First Care Family Resources, Inc 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 First Care Family Resources, 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.

Divine, Blalock, Martin & Sellari, LLC

DIVINE, BLALOCK, MARTIN & SELLARI, LLC
West Palm Beach, Florida

October 30, 2024

FIRST CARE FAMILY RESOURCES, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023 AND 2022

	2023	2022
Assets		
Current assets		
Cash and cash equivalents	$ 998,259	$ 2,864,536
Unconditional promises to give & other receivables	529,800	265,255
Restricted promises to give	-	268,600
Investments	3,196,476	360,576
Pregnancy clinic supplies	4,205	3,010
Prepaid expenses	29,978	44,771
Total current assets	4,758,718	3,806,748
Property and equipment, net	1,149,376	1,132,820
Right-of-Use asset	191,839	327,804
Deposits and other assets	14,856	13,387
Total other assets	1,356,071	1,474,011
Total assets	$ 6,114,789	$ 5,280,759
Liabilities and net assets		
Current liabilities		
Accounts payable	$ 22,609	$ 44,829
Accrued vacation and other expenses	70,808	95,763
Lease liability - current portion	151,535	152,421
Total current liabilities	244,952	293,013
Long-term liabilities		
Lease liability - non-current portion	47,571	175,383
Total liabilities	47,571	175,383
Net assets		
Board designated for future liquidity needs	379,975	309,975
Undesignated	3,972,989	3,596,849
Total without donor restrictions	4,352,964	3,906,824
With donor restrictions	1,469,302	905,539
Total net assets	5,822,266	4,812,363
Total liabilities and net assets	$ 6,114,789	$ 5,280,759

The accompanying notes are an integral part of these financial statements.

FIRST CARE FAMILY RESOURCES, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:			
Contributions and gifts	$ 2,334,039	$ 553,292	$ 2,887,331
Special events	517,735	-	517,735
Investment income	98,428	-	98,428
Gifts in kind	21,829	51,226	73,055
Other income	7,795	-	7,795
Net assets released from restrictions	40,755	(40,755)	-
Total revenue and support	3,020,581	563,763	3,584,344
Expenses:			
Program services	1,835,063	-	1,835,063
Management and general	345,004	-	345,004
Fundraising	394,374	-	394,374
Total expenses	2,574,441	-	2,574,441
Change in Net Assets	446,140	563,763	1,009,903
Net assets at beginning of the year	3,906,824	905,539	4,812,363
Net assets at end of year	$ 4,352,964	$ 1,469,302	$ 5,822,266

The accompanying notes are an integral part of these financial statements.

FIRST CARE FAMILY RESOURCES, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:			
Contributions and gifts	$ 1,212,305	$ 1,860,191	$ 3,072,496
Special events	762,158	-	762,158
Investment income	7,565	-	7,565
Gifts in kind	78,605	48,611	127,216
PPP loan forgiveness	223,918	-	223,918
Other income	14,269	-	14,269
Net assets released from restrictions	1,025,356	(1,025,356)	-
Total revenue and support	3,324,176	883,446	4,207,622
Expenses:			
Program services	1,567,256	-	1,567,256
Management and general	374,900	-	374,900
Fundraising	402,073	-	402,073
Total expenses	2,344,229	-	2,344,229
Change in Net Assets	979,947	883,446	1,863,393
Net assets at beginning of the year	2,926,877	22,093	2,948,970
Net assets at end of year	$ 3,906,824	$ 905,539	$ 4,812,363

The accompanying notes are an integral part of these financial statements.

FIRST CARE FAMILY RESOURCES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Program Services	Management and General	Fundraising	Total
Salaries and employee benefits	$ 1,044,177	$ 184,664	$ 182,134	$ 1,410,975
Payroll taxes	77,931	14,825	13,535	106,291
Health insurance	76,675	4,488	1,196	82,359
Retirement benefits	17,806	4,498	4,329	26,633
Workers compensation	3,286	284	573	4,143
	1,219,875	208,759	201,767	1,630,401
Advertising	-	-	1,592	1,592
Building rent	148,785	29,341	12,983	191,109
Building for the future	-	-	13,186	13,186
Counseling and medical	47,417	-	-	47,417
Acquisition and management fee	263,519	-	-	263,519
Computer and website expense	22,597	13,719	5,992	42,308
Conferences and meetings	7,554	16,721	-	24,275
Insurance	13,644	3,228	1,603	18,475
Interest expense	-	11	-	11
Legal and accounting	4,840	6,110	2,200	13,150
Office expense	5,977	22,950	4,799	33,726
Other	8,418	23,036	7,163	38,617
Postage and delivery	-	1,190	17,272	18,462
Property taxes	18,050	-	-	18,050
Printing and publications	5,195	3,013	30,210	38,418
Relocation and maintenance	14,645	1,082	926	16,653
Special events expense	-	-	91,329	91,329
Staff and volunteer training	2,313	11,507	36	13,856
Telephone	16,305	1,833	1,704	19,842
Travel	8	1,220	526	1,754
Utilities	8,636	1,284	1,086	11,006
Total expenses before depreciatioı	1,807,778	345,004	394,374	2,547,156
Depreciation	27,285	-	-	27,285
Total expenses	$ 1,835,063	$ 345,004	$ 394,374	$ 2,574,441

The accompanying notes are an integral part of these financial statements.

FIRST CARE FAMILY RESOURCES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Services	Management and General	Fundraising	Total
Salaries and employee benefits	$ 867,386	$ 252,332	$ 184,257	$ 1,303,975
Payroll taxes	66,158	19,206	13,702	99,066
Health insurance	54,040	13,485	3,639	71,164
Retirement benefits	16,984	6,358	4,759	28,101
Workers compensation	2,747	774	570	4,091
	1,007,315	292,155	206,927	1,506,397
Advertising	-	-	2,712	2,712
Building rent	177,998	12,981	20,049	211,028
Building for the Future	-	-	2,760	2,760
Counseling and medical	25,871	-	-	25,871
Acquisition and management fee	219,662	-	-	219,662
Computer and website expense	19,840	5,972	8,131	33,943
Conferences and meetings	1,542	6,681	134	8,357
Insurance	12,086	2,465	2,118	16,669
Interest	-	174	-	174
Legal and accounting	1,750	6,100	1,150	9,000
Office expense	18,016	25,757	7,782	51,555
Other	19,588	9,222	7,386	36,196
Postage and delivery	27	772	18,802	19,601
Printing and publications	1,395	2,531	40,733	44,659
Relocation and maintenance	9,367	1,120	1,897	12,384
Special events expense	-	-	77,718	77,718
Staff and volunteer training	5,212	5,436	706	11,354
Telephone	15,628	1,918	1,789	19,335
Travel	15	712	146	873
Utilities	8,136	904	1,133	10,173
Total expenses before depreciatior	1,543,448	374,900	402,073	2,320,421
Depreciation	23,808	-	-	23,808
Total expenses	$ 1,567,256	$ 374,900	$ 402,073	$ 2,344,229

The accompanying notes are an integral part of these financial statements.

FIRST CARE FAMILY RESOURCES, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Cash flows from operating activities:		
Increase in net assets	$ 1,009,903	$ 1,863,393
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	27,285	23,808
PPP loan forgiveness	-	(223,918)
Net realized and unrealized (gain) loss on investments	-	1,715
Decrease (Increase) in operating assets:		
Unconditional promise to give & other receivables	(264,545)	312,524
Restricted promise to give	268,600	(268,600)
Pregnancy clinic supplies	(1,195)	253
Prepaid expenses	14,793	7,046
Deposits and other assets	(1,469)	3,200
Operating lease - Right-of-use asset	135,965	(327,804)
Increase (Decrease) in operating liabilities		
Accounts payable	(22,220)	(292)
Accrued vacation and other liabilities	(24,955)	(20,222)
Operating lease liability	(128,698)	327,804
Net cash provided by operating activities	1,013,464	1,698,907
Cash flows from investing activities:		
Acquisition of investments	(2,835,900)	(360,567)
Acquisition of fixed assets	(43,841)	(1,078,345)
Net cash (used in) investing activities	(2,879,741)	(1,438,912)
(Decrease) increase in cash and cash equivalents	(1,866,277)	259,995
Cash and cash equivalents, beginning of year	2,864,536	2,604,541
Cash and cash equivalents, end of year	$ 998,259	$ 2,864,536

The accompanying notes are an integral part of these financial statements.

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

Nature of activities

First Care Family Resources, Inc. (First Care) is a faith and community-based educational and health and welfare organization serving Palm Beach County, Florida. Its principal mission is to offer counseling and other assistance to women through the operation of pregnancy medical clinics.

First Care's mission is carried out by the operation of women's health clinics under the brand name of 'Palm Beach Women's Clinic'. Client services include programs designed to assist women in confronting and dealing with the physical, emotional, economic and social issues associated with pregnancy by offering counseling, pregnancy tests, sonograms, STI testing and treatment, infant and maternity clothing, baby food, infant formula and other goods and services to women in need.

First Care is managed by a full-time professional staff under the oversight and direction of a volunteer Board of Directors (the Board or Board of Directors). It vigorously enforces its policy to provide services to those in need regardless of the client's ability to pay. Accordingly, First Care is significantly dependent upon gifts and charitable contributions to assist in subsidizing nonrevenue-producing services.

Basis of accounting

First Care's financial statements are prepared on the accrual basis of accounting and in accordance with the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*.

Basis of presentation

First Care records unconditional promises to give (pledges) as contributions at fair value at the date the promises are received or made and distinguishes between promises received for each net asset category in accordance with donor restrictions, if any.

Net assets and revenue, expenses, gains and losses are classified as net assets with donor restrictions and net assets without donor restrictions based on the existence or absence, respectively, of donor-imposed restrictions. Accordingly, net assets of the First Care and changes therein are classified as follows:

> **Net assets without donor restrictions** – Net assets available for the support of the Organization's operations. The net assets without donor restrictions 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 donor-imposed stipulations that may or will be met either by actions of First Care or the passage of time and net assets subject to donor-imposed stipulations to be maintained permanently by First Care. Generally, the donors of these assets permit First Care to use all or part of the earnings on related investments for general or specific purposes.

The amounts for each class of net assets are required to be displayed in a statement of financial position and the amount of the change in each class of net assets are required to be displayed in a statement of activities.

NOTE A – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

Cash and cash equivalents consist of non-interest-bearing demand deposit accounts and interest-bearing money market accounts. Cash equivalents are short term investments with a maturity date of three months or less from the date of purchase. The concentration of credit risk associated with cash and cash equivalents is considered low due to the credit quality of the financial institutions and the immediate availability of these financial instruments.

Investments

Investments are presented in the financial statements at fair value, using quoted market prices for publicly traded securities and other relevant information generated by market transactions. Investments consist of funds invested in securities and mutual funds. The securities and mutual funds are held by a brokerage firm for the benefit of First Care, but are not insured or collateralized. Investment transactions are recorded on a trade date basis. Investment income is recorded on the accrual basis and dividend income is recorded on the ex-dividend date. Investment earnings and realized and unrealized gains and losses are included in the Statement of Activities. Investment expenses are netted against investment income.

Receivables

Receivables represent unconditional promises to give support over a period of time. Unconditional promises to give are reported as an increase in net assets with or without donor restrictions, depending on the nature of the donor-imposed restriction, if any. First Care recognizes pledges receivable at estimated net realizable value for pledges due within one year. Pledges receivable that are expected to be collected in future years are recorded at the present value of their net realizable value. No allowance was deemed necessary for pledges receivable as they were deemed fully collectible by management.

Allowance for credit losses

The Organization accounts receivables, which are unsecured, are primarily derived from individual and corporate sponsorship, pledges and grants. Receivables past due more than 90 days are considered delinquent. Delinquent receivables are written off when management has determined that the amount will not be collected based on consideration of the credit evaluation and specific circumstances of the donor. At each balance sheet date, the Organization evaluate the likelihood of uncollected accounts and recognizes an expected allowance for credit losses based on the requirement of ASU 2016-13 (see New Accounting Pronouncements). In addition, also at each reporting date, this estimate is updated to reflect any changes in credit risk since the receivable was initially recorded. The estimate is calculated on a pooled basis where similar risk characteristics exist. Accounts receivable are also evaluated individually when they do not share similar risk characteristics which could exist in circumstances where amounts are considered at risk or uncollectible.

NOTE A – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allowance for credit losses, continued

The allowance estimate is derived from a review of the Organization's historical losses based on the aging of receivables. This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the Organization. The Organization believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses as the Organization's accounts receivable have remained constant since the Organization's inception.

The Organization writes off a receivable when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in income or as offset to credit loss expense in the year of recovery, in accordance with the Organization's accounting policy election. The total amount of write-offs was immaterial to the financial statements as a whole for the year ended At December 31, 2023 no allowance for credit losses was established. Management expects the amount to be collected in full.

Pregnancy clinic supplies

Infant and maternity clothing, diapers, baby beds and bedding accessories, strollers, nonperishable food and other items on hand at year-end are valued at cost for items purchased and at estimated fair value for donated goods. Inventory items are not resalable. Items are held for distribution to needy persons and their families.

Property and equipment

Property and equipment is stated at cost, if purchased, or if acquired by contribution, at estimated fair value on the date of contribution. Depreciation is provided for using the straight-line method over the five to ten year estimated useful lives of the assets. Office, computers and medical equipment are generally assigned an estimated useful life of 5-years; office furniture is assigned a useful life of 7-years; and leasehold improvements are generally amortized over a 10-year period. Expenditures for furniture and equipment costing $1,000 or more are capitalized; lesser amounts are expensed.

Compensated Absences

First Care compensates its employees for designated holidays, vacation and sick time. The amount accrued as of December 31, 2023 and 2022 is $22,577 and $36,986, respectively.

Board designated net assets

The Board of Directors established an operating reserve with the objective of setting aside funds to be drawn upon in the event of financial distress or immediate liquidity need. The operating reserve balance totaled $379,975 and $309,975 at December 31, 2023 and 2022, respectively. The funds may be released from designation by majority vote of the Board of Directors' Finance Committee with notification to the entire Board.

NOTE A – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

Financial support is provided by private sector grants, public donations and gifts. Private grants and public contributions are recognized when received or when a donor or grantor makes an unconditional promise to give. Donor pledges are considered intent to give rather than an unconditional promise to give. Accordingly, pledges are not recognized as support at the time of the pledge. Contributions that contain donor stipulations that limit the use of an asset for specific purposes or designates the support for future periods, are reported as an increase in net assets with donor restrictions and net assets without donor restrictions depending upon the nature of the restriction. When a donor restriction expires, that is, when a stipulation time restriction ends or a purpose restriction is accomplished; net assets with donor restrictions are reclassified and reported in the statements of activities as net assets released from restrictions. Donor contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

Contributions of long-lived assets (e.g., property and equipment) or contributions that the donor requires to be used to acquire long-lived assets are reported as net assets with donor restrictions. First Care reflects the expiration of the donor-imposed restriction when long-lived assets have been placed in service, at which time 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.

Contributions of nonfinancial asset (in-kind contributions)

Donated services that create or enhance a non-financial asset or that require specialized skills and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded as in-kind service income and in-kind expense at their respective fair value in the period received. Services donated by volunteers that do not meet those criteria are not recorded as in-kind services. Donated goods and supplies are recorded at their fair value when received.

Income taxes

First Care is a tax-exempt, not-for-profit corporation under Internal Revenue Code (IRC) Section 501(C) (3). Accordingly, no provision for income taxes has been made in the accompanying financial statements. The Internal Revenue Service notified First Care by letter dated April 12, 1984, that its governing documents and plan of operations were designed in accordance with section 501(C) (3) of the Internal Revenue Code (the Code)

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by First Care and recognize a tax liability if First Care has taken an uncertain position that more than likely would not be substantiated upon examination by the tax authorities. Management monitors the on-going financial and functional activities undertaken by First Care for compliance with its exempt status requirements and has concluded that for the tax reporting periods ended December 31, 2023 and 2022, there were no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. First Care is no longer subject to income tax examinations for years prior to 2019.

NOTE A – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Issued and Adopted Accounting Pronouncements

- Effective January 1, 2022, First Care adopted FASB ASC 842, *Leases*. First Care determines if an arrangement contains a lease at inception based on whether First Care has the right to control the asset during the contract period and other facts and circumstances. First Care elected the package of practical expedients permitted under the transition guidance within the new standard, which among other things, allowed it to carry forward the historical lease classification.

  The adoption of FASB ASC 842 resulted in the recognition of right-of-use-assets of $191,839 and operating lease liabilities of $199,106 as of December 31, 2023, which are measured by discounting lease payments using our incremental borrowing rate as the discount rate. We determine the incremental borrowing rate applicable to each lease by reference to our outstanding secured borrowings and implied spreads over the risk-free discount rates that correspond to the term of each lease, as adjusted for the currency of the lease. Subsequent amortization of the ROU asset and accretion of the lease liability for an operating lease is recognized as a single lease cost, on a straight-line basis, over the lease term. Variable lease costs are recognized in the period when changes in facts and circumstances on which the variable lease payments are based occur.

- *ASU 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)* - requires not-for-profit entities to present nonfinancial assets as a separate line item in the statement of activities from contributions of cash and other financial assets. The ASU also requires disclosures including the use of the contributed nonfinancial assets, the policy of monetizing or utilizing contributed nonfinancial assets, description of donor- imposed restrictions associated with contributed nonfinancial assets, and the valuation techniques and inputs used to measure the contributed nonfinancial assets at fair value. The Organization adopted ASU 2020-07 for the year ended December 31, 2023.

- At July 1, 2023, the Organization adopted FASB ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses on certain financial instruments. The Organization adopted this new guidance utilizing the modified retrospective transition method. The adoption of this Standard did not have a material impact on the Organization's financial statements but did change how the allowance for credit losses is determined.

NOTE A – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain 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 of revenues and expenses during the reporting period. The use of estimates includes, but are not limited to, amounts earned in the reporting period under grant contracts, the estimated value of in-kind services, the allocation of expenses among program and support categories, and useful lives of depreciable assets. Actual results could differ from those estimates.

Functional classification of expenses

In the accompanying statements of activities, expenses have been reported by their functional classification, a method of grouping expenses according to the purpose for which they were incurred. The primary functional classifications are program services and supporting activities.

Program services are the activities that result in services being provided to members that fulfill the purposes or mission for which First Care exists. Supporting activities are all activities of organizations other than program services and are included in the financial statements as management and general expenses and fundraising expenses. Expenses are recorded in the period in which the obligation is incurred. Expenses are charges directly to program services or support activities based on specific identification, when possible. Indirect expenses are allocated among the programs and support categories based on the level of benefit received as measured by personnel time and facility usage associated with the activity or function.

NOTE B – INVESTMENTS

Investments as of December 31, 2023 and 2022 are classified as follows:

	2023	2022
Investment Breakdown		
U.S. Treasury obligations	$ 3,196,476	$ 300,127
Mutual funds	-	60,449
Total Investments	$ 3,196,476	$ 360,576

First Care's investments in mutual funds and ETF's are exposed to various risks, such as market risk, interest rate risk, and credit risks. In addition, certain investments may be subject to additional risks including foreign currency risk, derivatives risk, foreign and emerging markets risk, leveraging risk, liquidity risk, multi-manager risk, real estate risk and small company risk Due to the various risks associated with First Care's investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

NOTE C – UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give are recorded as receivables and support when received or promised. These contributions are considered unconditional promises to give which is a promise to give that depends only on the passage of time or demand by the promise for performance. Unconditional promises to give that are due beyond one year have been measured using the net present value of future cash flows based on a discount rate of 3%. For the year ended December 31, 2023 no discount for future payments has been recorded as the calculated amount was immaterial.

The allowance for uncollectible pledges is based on management's estimate of uncollectible amounts in the future. As of December 31, 2023 and 2022, management determined no allowance for uncollectible pledges was needed.

Unconditional promises to give at December 31, 2023 and 2022 were as follows:

	2023	2022
Unconditional promises to give, net	$ 529,800	$ 265,000
Unconditional promises to give due within one year	$ 529,800	$ 265,000
Unconditional promises to give due in one-five years	-	-
	$ 529,800	$ 265,000

NOTE D – FAIR VALUE MEASUREMENTS

Accounting principles generally accepted in the United States of America (GAAP) define fair value for an investment generally as the price an organization would receive upon selling the investment in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. The information available to measure fair value varies depending on the nature of each investment and its market or markets. Accordingly, GAAP recognizes a hierarchy of "inputs" an organization may use in determining or estimating fair value. The inputs are categorized into "levels'' that relate to the extent to which an input is objectively observable and the extent to which markets exist for identical or comparable investments. In determining or estimating fair value, an organization is required to maximize the use of observable market data (to the extent available) and minimize the use of unobservable inputs. The hierarchy assigns the highest priority to unadjusted quoted prices in active markets for identical items (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

The fair value hierarchy distinguishes between independent observable inputs and unobservable inputs used to measure fair value as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2: Inputs other than quoted market prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

NOTE D – FAIR VALUE MEASUREMENTS (CONTINUED)

Level 3: Unobservable inputs for an asset or liability. Level 3 inputs should be used to measure fair value to the extent that observable Level 1 or 2 inputs are not available.

This statement requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. The Organization's significant financial instruments are cash, accounts receivable, accounts payable, and other short-term assets and liabilities. For these financial instruments (Level 1), carrying values approximate fair value because of the short maturity of these instruments.

Estimated fair value of certain assets measured on a recurring basis at December 31, 2023 is as follows:

	Level 1	Level 2	Level 3	Total
U.S. Treasury obligations	$ 3,196,476	$ -	$ -	$ 3,196,476
Total	$ 3,196,476	$ -	$ -	$ 3,196,476

Estimated fair value of certain assets measured on a recurring basis at December 31, 2022 is as follows:

	Level 1	Level 2	Level 3	Total
U.S. Treasury obligations	$ 300,127	$ -	$ -	$ 300,127
Mutual funds	60,449	-	-	60,449
Total	$ 360,576	$ -	$ -	$ 60,449

NOTE E– PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2023 and 2022:

	2023	**2022**
Leasehold improvements	$ 28,842	$ 28,842
Office and computer equipment	28,047	23,806
Medical equipment	139,840	142,357
Office furniture	17,199	17,199
Construction in progress	93,877	55,031
Land - Northlake	947,247	946,523
Lan Improvement	23,940	23,940
	1,278,992	1,237,698
Less: Accumulated depreciation	(129,616)	(104,880)
Property and equipment, net	$ 1,149,376	$ 1,132,818

NOTE F – LEASE COMMITMENTS

First Care operates its administrative offices and its pregnancy clinics in leased facilities under operating lease arrangements. For the years ended December 31, 2023 and 2022, facility lease expense totaled $191,109 and $193,050 respectively. Future minimum annual lease payments for the administrative office, clinics and equipment for the remaining terms of the leases in effect at December 31, 2023 are as follows:

Year Ending December 31,	Office	Clinics	Equipment	Total
2024	$ 47,382	$ 101,033	$ 9,300	$ 157,715
2025	17,820	31,252	9,300	58,372
2026	-	-	5,425	5,425
	$ 65,202	$ 132,285	$ 24,025	$ 221,512

At December 31, 2023, the present value of all lease payments were	$ 191,839

NOTE G – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at December 31, 2023 and 2022:

	December 31, 2022	Contributions	Released	December 31, 2023
Building for the future	$ 894,756	$ 554,353	$ (32,085)	$ 1,417,024
J. Jurado Memorial Fund	10,782	12,165	(8,670)	14,277
Empowerment Fund	-	20,000	-	20,000
Outreach Fund	-	18,000	-	18,000
	$ 905,538	$ 604,518	$ (40,755)	$ 1,469,301

	December 31, 2021	Contributions	Released	December 31, 2022
Boca Raton RV/clinic	$ -	$ 625	$ (625)	$ -
Building for the future	-	1,898,141	(1,003,385)	894,756
Natural childbirth educatic	420	-	(420)	-
J. Jurado Memorial Fund	21,464	-	(10,682)	10,782
Empowerment Fund	-	-	-	-
Light & Hope Project	209	-	(209)	-
Benevolence	-	10,035	(10,035)	-
	$ 22,093	$ 1,908,801	$ (1,025,356)	$ 905,538

NOTE H – CONTRIBUTION OF NON-FINANCIAL ASSETS

First Care receives the majority of baby and maternity supplies from individuals and churches, which are recorded as in-kind support at estimated fair value. In accordance with the accounting policies set forth in Note A, the estimated fair value of the donated services rendered by nurses and other medical professionals and the rental value of donated facilities are recorded as in-kind support and expense in the accompanying statements of activities. Furthermore, the receipt of donated equipment or the purchase of equipment at a price significantly below its current value is also recorded as in-kind support.

In-kind support for the years ended December 31, 2023 and 2022 consisted of:

	2023	2022
Baby and maternity supplies	$ 4,205	$ 4,251
Equipment and supplies	2,065	60,970
Volunteer professionals	17,624	1,546
Marketable securities	49,161	60,449
	$ 73,055	$ 127,216

Volunteer time that did not meet the criteria for recognition in the accompanying financial statements totaled 559 and 810 hours for the years ended December 31, 2023 and 2022 having an estimated fair value of $17,624 and $25,356, respectively.

NOTE I – RETIREMENT PLAN

First Care maintains a SIMPLE IRA plan under Code Section 408(p). Under the plan, employees are able to contribute up to the maximum allowed by the Internal Revenue Service. First Care made matching contributions of $26,633 and $28,101 for the years ended December 31, 2023 and 2022, respectively.

NOTE J – CONCENTRATIONS OF CREDIT RISK

Financial instruments which potentially subject First Care to concentrations of credit risk consist principally of cash and cash equivalents. First Care maintains its cash and cash equivalents in various bank deposit accounts which, at times, may exceed federally insured limits. First Care has not experienced any losses in such accounts.

As of December 31, 2023, 94% of promises to give are due from one donor, management believes the promises to give to be fully collectible.

NOTE K – LIQUIDITY

The following reflects First Care's financial assets as of December 31, 2023 and 2022, reduced by amounts not available for general expenditures within one year of the statement of financial position date.

	2023	2022
Financial assets:		
Cash and cash equivalents	$ 998,259	$ 2,864,536
Unconditional promises to give	529,800	265,000
Investments	3,196,476	360,576
Total Financial assets, at year-end	4,724,535	3,490,112
Less those unavailable for general expenditures within one year due to:		
Donor restricted	(1,469,302)	(905,538)
Board designated reserves for future liquidity needs	(379,975)	(309,975)
Financial assets available to meet cash needs for general expenditures within one year	$ 2,875,258	$ 2,274,599

NOTE L – SUBSEQUENT EVENTS

In the normal course of preparing First Care's financial statements, management reviews events that occur after the statement of financial position date, December 31, 2023, for potential recognition or disclosure in the financial statements. Management has evaluated subsequent events through October 30, 2024, which is the date the financial statements were available to be issued.