



Consolidated Financial Statements and Supplementary Information;  
And Reports and Schedule related to Title 2 U.S. Code of Federal Regulations Part 200,  
Uniform Administrative Requirements, Cost Principles and  
Audit Requirements for Federal Awards (Uniform Guidance)

For the Year Ended June 30, 2023  
With Report of Independent Auditors

CARE  
Consolidated Financial Statements and Supplementary Information;  
And Reports and Schedule Related to Uniform Guidance Audit

Year Ended June 30, 2023

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## Report of Independent Auditors

Management and the Board of Directors  
Cooperative for Assistance and Relief Everywhere, Inc.

### Opinion

We have audited the consolidated financial statements of Cooperative for Assistance and Relief Everywhere, Inc. and Subsidiaries (CARE), which comprise the consolidated balance sheets as of June 30, 2023 and 2022, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of CARE at June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CARE 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.

### Adoption of ASU No. 2016-02, Leases

As discussed in Note 11 to the consolidated financial statements, CARE changed its method of accounting for leases in 2023 due to the adoption of Accounting Standards Update (ASU) 2016-02, Leases (Topic 842), as amended, effective July 1, 2022, using the modified retrospective approach. Our opinion is not modified with respect to this matter.

### 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 of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CARE’s ability to continue as a going concern for one year after the date that the financial statements are 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 of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CARE's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CARE'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.

### ***Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management



and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2023 on our consideration of CARE's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of CARE's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CARE's internal control over financial reporting and compliance.

*Ernst + Young LLP*

November 14, 2023

CARE  
Consolidated Statements of Activities  
For the Year Ended June 30, 2023  
(in thousands)

	Without Donor Restrictions	With Donor Restrictions	Total 2023
Support			
Contributions of financial assets			
United States government	\$ 265,828	\$ –	\$ 265,828
CARE International	216,036	–	216,036
Private contributions	127,386	75,879	203,265
Other institutional donors	124,152	–	124,152
Contributions of nonfinancial assets			
United States government	64,872	–	64,872
CARE International	1,566	–	1,566
Private contributions	–	2,239	2,239
Other institutional donors	10,801	–	10,801
Other revenue	5,467	84	5,551
Satisfaction of restrictions	110,406	(110,406)	–
Total support	926,514	(32,204)	894,310
Expenses			
Program activities	857,533	–	857,533
Supporting activities	78,717	–	78,717
Total expenses	936,250	–	936,250
Investment income and other gains (losses)	11,684	733	12,417
Total changes in net assets	1,948	(31,471)	(29,523)
Net assets, beginning of year	108,241	320,843	429,084
Net assets, end of year	\$ 110,189	\$ 289,372	\$ 399,561

*See accompanying notes.*

CARE  
Consolidated Statements of Activities  
For the Year Ended June 30, 2022  
(in thousands)

	Without Donor Restrictions	With Donor Restrictions	Total 2022
Support			
Contributions of financial assets			
United States government	\$ 240,781	\$ –	\$ 240,781
CARE International	199,785	–	199,785
Private contributions	149,790	133,476	283,266
Other institutional donors	124,535	–	124,535
Contributions of nonfinancial assets			
United States government	25,276	–	25,276
Private contributions	–	8,221	8,221
Other institutional donors	2,603	–	2,603
Other revenue	3,436	25	3,461
Satisfaction of restrictions	92,441	(92,441)	–
Total support	838,647	49,281	887,928
Expenses			
Program activities	747,914	–	747,914
Supporting activities	70,515	–	70,515
Total expenses	818,429	–	818,429
Investment income and other gains (losses)	(4,284)	(20,539)	(24,823)
Total changes in net assets	15,934	28,742	44,676
Net assets, beginning of year	92,307	292,101	384,408
Net assets, end of year	\$ 108,241	\$ 320,843	\$ 429,084

*See accompanying notes.*

CARE  
Consolidated Statements of Functional Expenses  
For the Year Ended June 30, 2023  
*(in thousands)*

	Program Activities				Supporting Activities			2023 Total
	Humanitarian	Development	Public Information	Total	Fund Raising	Management & General	Total	
Personnel costs	\$ 97,920	\$ 123,489	\$ 3,890	\$ 225,299	\$ 12,148	\$ 22,241	\$ 34,389	\$ 259,688
Materials and services	129,271	81,329	713	211,313	24,525	1,785	26,310	237,623
Grants/subgrants	114,892	98,485	–	213,377	553	–	553	213,930
Professional services	15,044	22,178	1,382	38,604	6,298	3,336	9,634	48,238
Travel and transportation	18,603	25,061	171	43,835	341	885	1,226	45,061
Occupancy	8,006	9,912	170	18,088	866	931	1,797	19,885
Equipment	2,952	6,693	140	9,785	1,421	1,220	2,641	12,426
Financing/depreciation/miscellaneous	3,516	11,522	78	15,116	1,428	313	1,741	16,857
Agricultural commodities/contributions in-kind	72,188	9,928	–	82,116	403	23	426	82,542
Total operating expenses	<u>\$ 462,392</u>	<u>\$ 388,597</u>	<u>\$ 6,544</u>	<u>\$ 857,533</u>	<u>\$ 47,983</u>	<u>\$ 30,734</u>	<u>\$ 78,717</u>	<u>\$ 936,250</u>

*See accompanying notes.*



CARE  
Consolidated Statements of Functional Expenses  
For the Year Ended June 30, 2022  
*(in thousands)*

	Program Activities				Supporting Activities			2022 Total
	Humanitarian	Development	Public Information	Total	Fund Raising	Management & General	Total	
Personnel costs	\$ 88,405	\$ 120,403	\$ 4,460	\$ 213,268	\$ 9,951	\$ 18,646	\$ 28,597	\$ 241,865
Grants/subgrants	114,741	104,022	–	218,763	–	–	–	218,763
Materials and services	109,809	67,341	589	177,739	21,417	1,546	22,963	200,702
Professional services	15,364	23,549	927	39,840	6,861	3,547	10,408	50,248
Travel and transportation	14,088	18,998	77	33,163	85	337	422	33,585
Occupancy	6,644	10,330	126	17,100	522	801	1,323	18,423
Financing/depreciation/miscellaneous	3,550	5,393	92	9,035	2,300	751	3,051	12,086
Equipment	3,168	3,206	131	6,505	1,153	1,971	3,124	9,629
Agricultural commodities/contributions in-kind	22,924	8,205	1,372	32,501	627	–	627	33,128
<b>Total operating expenses</b>	<b>\$ 378,693</b>	<b>\$ 361,447</b>	<b>\$ 7,774</b>	<b>\$ 747,914</b>	<b>\$ 42,916</b>	<b>\$ 27,599</b>	<b>\$ 70,515</b>	<b>\$ 818,429</b>

*See accompanying notes.*

CARE  
Consolidated Statements of Cash Flows  
For the Years Ended June 30, 2023 and 2022  
(in thousands)

	<u>2023</u>	<u>2022</u>
Operating activities		
Changes in net assets	\$ (29,523)	\$ 44,676
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	3,603	5,238
Amortization of operating lease Right-of-Use assets	9,949	-
(Provision) recovery for subsidiary microfinance loan losses	(32)	126
Net realized and unrealized (gain) loss on investments	(5,018)	14,498
Decrease in value of split interest agreements	1,389	17,356
Changes in assets and liabilities		
Increase in receivables	(35,239)	(13,185)
(Increase) decrease in program advances and other assets	6,107	(7,731)
(Increase) decrease in split interest agreements	1,209	(227)
Increase in accounts payable and accrued expenses	10,423	5,214
Decrease in donor advances	(2,355)	(21,744)
Decrease in operating lease liabilities	(10,143)	-
Increase in accrued salaries and benefits	1,738	2,007
Net cash provided by (used for) operating activities	<u>(47,892)</u>	<u>46,228</u>
Investing activities		
Purchases of investments	(140,678)	(29,020)
Proceeds from sales of investments	142,309	34,838
Purchases of property and equipment	(4,029)	(4,741)
Proceeds from sales of property and equipment	232	102
Net cash provided by (used for) investing activities	<u>(2,166)</u>	<u>1,179</u>
Financing activities		
Increase (decrease) in subsidiary loans payable and minority interest	47	(165)
Payments to gift annuitants	(1,004)	(1,098)
Increase in liability for split interest agreements	71	414
Net cash used for financing activities	<u>(886)</u>	<u>(849)</u>
Net change in cash and cash equivalents	(50,944)	46,558
Cash and cash equivalents, beginning of year	180,701	134,143
Cash and cash equivalents, end of year	<u>\$ 129,757</u>	<u>\$ 180,701</u>
Supplemental cash flow information:		
Noncash contributions	\$ 16,869	\$ 17,288
Leases obtained in exchange for operating lease liabilities	4,828	-
Cash paid for interest	<u>\$ 2</u>	<u>\$ 3</u>

*See accompanying notes.*

CARE  
Consolidated Balance Sheets  
(in thousands)

	June 30, 2023	June 30, 2022
<b>Assets</b>		
Cash and cash equivalents	\$ 129,757	\$ 180,701
Receivables, net	159,564	124,325
Program advances and other assets	48,377	54,452
Split interest agreements	136,306	138,904
Investments, at fair value	104,758	101,371
Operating lease Right-of-Use assets	28,645	-
Property and equipment, net	18,505	18,311
<b>Total assets</b>	<b>\$ 625,912</b>	<b>\$ 618,064</b>
<b>Liabilities and net assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 71,725	\$ 61,302
Donor advances	84,721	87,076
Accrued salaries and benefits	31,835	30,097
Operating lease liabilities	28,451	-
Liability for split interest agreements	9,131	10,064
Other	488	441
<b>Total liabilities</b>	<b>226,351</b>	<b>188,980</b>
<b>Net assets</b>		
Without donor restrictions	110,189	108,241
With donor restrictions	289,372	320,843
<b>Total net assets</b>	<b>399,561</b>	<b>429,084</b>
<b>Total liabilities and net assets</b>	<b>\$ 625,912</b>	<b>\$ 618,064</b>

*See accompanying notes.*

CARE  
Consolidated Financial Statements

## 1. Organization, Mission and Structure

### Mission

The Cooperative for Assistance and Relief Everywhere, Inc. and its subsidiaries (CARE or the Organization) was established in 1945 and is an international humanitarian organization delivering emergency relief and long-term international development programs. CARE's mission is to work around the globe to save lives, defeat poverty and achieve social justice. CARE seeks a world of hope, inclusion, and social justice, where poverty has been overcome and all people live with dignity and security. CARE operates programs in more than 45 countries throughout Africa, Asia, Europe, and the Americas.

CARE's program activities were comprised of the following:

- **Humanitarian.** In times of conflict or disaster, CARE responds to save lives, with special attention to the needs of women and girls and the most marginalized. CARE's humanitarian activities include preparedness and early action, emergency response and recovery, and encourages future resilience and equitable development. For the years ended June 30, 2023 and 2022 humanitarian work represented 54% and 51%, respectively, of total program expenses, reflecting ongoing conflicts and natural disasters in countries that we operate. For fiscal years 2023 and 2022, our largest humanitarian efforts were in Ethiopia, Turkey, Somalia and Yemen.
- **Development.** CARE works with partners to provide innovative solutions for sustainable development through supporting new ways of supplying or strengthening essential service delivery, building capacity, building resilience for reducing risk, and empowering the most vulnerable, particularly women and girls. For the years ended June 30, 2023 and 2022 development work represented 45% and 48%, respectively, of total program expenses.
- **Public Information.** CARE aims to inform the public about poverty, and the systematic discrimination and marginalization of women and girls around the world. CARE puts women and girls in the center based on the belief that poverty cannot be overcome until all people have equal rights and opportunities. Public information represents 1% of total program costs for fiscal years 2023 and 2022.

Within these broad areas, CARE focuses on food and water security, health, education and work, climate and equality.

### Structure and Related Parties

CARE is a member of CARE International, a confederation that coordinates agreed upon functions and activities common across the membership, including program activities. In the regular course of business, CARE receives and provides funding through grants and other contributions to and from CARE International and member organizations. Support from CARE International members, as well as amounts due to and due from members, are disclosed in the accompanying consolidated financial statements.

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## 2. Summary of Significant Accounting Policies

The consolidated financial statements of CARE include the assets, liabilities, revenues and expenses of all wholly owned subsidiaries, majority owned subsidiaries and related entities over which CARE exercises control and has an economic interest. The general condition for control is ownership or a majority of the voting interests of an entity. All intercompany account balances and transactions have been eliminated from the consolidated financial statements. CARE makes up more than 99% of the net assets in the accompanying consolidated balance sheets.

### Basis of Accounting

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP).

Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, CARE's net assets and changes therein are classified and reported as follows:

- Without donor restrictions – net assets that are not subject to donor-imposed restrictions, the donor restrictions have expired or been satisfied by actions of the organization.
- With donor restrictions – net assets that are subject to time or purpose restrictions, donor restricted endowments and trusts held by third parties.

Contributions are reported as increases in net assets without donor restrictions unless their use is limited by donor-imposed restrictions. Unconditional donor restricted contributions received in the same year in which the restrictions are met are recorded as increases to donor restricted support at the time of receipt. Upon fulfillment or expiration of donor restrictions, or when the donor restricted assets are placed in service, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as satisfaction of restrictions in the consolidated statements of activities.

### Use of Estimates and Assumptions

The preparation of consolidated financial statements in conformity with US GAAP requires management to make certain estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the dates of the consolidated financial statements, as well as the reported amounts of revenues and expenses during the reporting periods. The most significant area of estimate and judgement relates to the fair value of split interest agreements. Actual results may differ from estimates.

### Allocation of Functional Expenses

CARE allocates expenses based on nature and function among its various programs and supporting services. Expenses that can be identified with a specific program or support service are charged directly. Other expenses that are common to one or more program and support functions are allocated by

## CARE Consolidated Financial Statements

various statistical bases. All country office expenses are charged to program expenses. Program support, including finance and technology, are allocated based on estimates of time, effort and costs of the specific technology used. Rent, utilities, depreciation and amortization and certain communication costs are allocated based on the headcount of employees involved in program and supporting activities.

### Revenue Recognition

#### Contributions

Contributions are recorded at fair value when an unconditional grant or promise to give has been made. Conditional contributions are recorded once the conditions are met. Contributions are recorded as with or without donor restrictions depending on the existence or absence of donor-imposed restrictions. CARE also serves as a resource provider, making contributions to partners and sub-grantees in connection with program implementation.

#### Private Contributions

CARE receives funding from private donors that may be subject to both donor conditions and restrictions. Donor-imposed barriers applicable to private contributions include match or cost-sharing requirements, and when the donor stipulates CARE has limited discretion over the conduct of the program activity. Revenue recognition is deferred until the provisions are met, if specific timing requirements are included, or if the award includes cost-sharing and match requirements. Contributions from private donors determined to be conditional due to limited discretion are recognized based on program expenditures. Funds received in advance of satisfying the donor-imposed conditions are reported as donor advances in the consolidated balance sheets.

#### Contributions from US Government, CARE International and Other Institutional Donors

CARE receives funding under grants and agreements from the US government, CARE International and other institutional donors. These funds are subject to donor conditions and restrictions which are typically met by incurring qualifying expenses for a program. Contributions from the US government are conditional and must comply with applicable federal cost principles included in *Title 2 US Code of Federal Regulations Part 200* and are subject to review by grantor agencies. Contribution revenue on these agreements is recognized based on program expenditures. Audits and reviews could result in the disallowance of expenditures under the terms of the grant or reductions of future grant funds. Based on historical experience, management believes that any costs ultimately disallowed would not materially affect CARE's consolidated financial position.

Contributions from CARE International and other institutional donors include grants and other awards raised by CARE International members from foreign governments and institutions. These contributions are conditional agreements which are required to adhere to the respective cost principles and requirements of foreign governmental agencies and are recognized based on program expenditures as CARE is entitled to the funds once the conditions have been met. CARE adopted the simultaneous release option for donor-restricted grants that are recognized and used within the same reporting period and are therefore reported as net assets without donor restrictions.

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Awards signed but not yet implemented and recognized as contributions as of June 30, 2023 and 2022 are based on the total award amount, less amounts recognized to date.

	<u>2023</u>	<u>2022</u>
Conditional promises:		
United States government	\$ 373,682	\$ 155,534
CARE International	147,728	129,985
Private contributions	68,441	65,104
Other institutional donors	93,856	63,793
	<u>\$ 683,707</u>	<u>\$ 414,416</u>

#### Nonfood Gifts-in-Kind

Donated goods and services that meet the criteria for recognition are recorded at estimated fair value when received and recorded as expense when utilized.

#### Cash and Cash Equivalents

Cash and cash equivalents consist of short-term, highly liquid investments with original maturities of three months or less when purchased. The carrying values of cash and cash equivalents approximate their fair value due to the short-term nature of these instruments. CARE maintains amounts on deposit with various financial institutions, which may, at times, exceed federally insured limits. Management periodically evaluates the creditworthiness of those institutions and has not experienced any losses on such deposits.

Cash amounts maintained overseas are largely uninsured. Cash and cash equivalents held in the United States were \$69.1 million and \$129.7 million, as of June 30, 2023 and 2022 respectively, and cash and cash equivalents held outside the United States were \$60.7 million and \$51.0 million as of June 30, 2023 and 2022, respectively. Certain donors require cash to be held in separate accounts available for current use. Donor-segregated overseas cash and cash equivalent accounts totaled \$7.8 million and \$10.1 million as of June 30, 2023 and 2022, respectively.

#### Significant Donors and Concentration of Credit Risk

CARE depends on continuous funding from major donors such as U.S. Agency for International Development (USAID). Grants and contracts revenue from the United States government, including agricultural commodities and ocean freight, were 37% and 30% of CARE's total support for the years ended June 30, 2023 and 2022, respectively.

#### Receivables

Receivables include grants and contracts receivable, ocean freight receivable, and amounts due on unconditional promises to give. Grants and contracts receivable are generally expected to be collected within one year and are recorded at net realizable value. Ocean freight receivables, and a corresponding

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liability due to the freight line, are recorded when agricultural commodities are shipped to their destination port. These amounts are due from USAID.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value based on the present value of their estimated future cash flows and discounted at an applicable rate in the year the pledge was made. The discount rate ranges between 0.1% and 4.8% for the years ending June 30, 2023 and 2022, respectively.

#### Program Advances and Other Assets

Program advances and other assets include sub-grantee advances to partner organizations and CARE International members, program advances, inventory, equity investments, receivables from CARE International members, prepaid expenses and other miscellaneous assets. Receivables from CARE International members were \$3.3 million and \$1.1 million respectively, as of June 30, 2023 and 2022.

Sub-grantee advances are recorded when cash is disbursed. As the sub-grantee meets the conditions and contractual obligations in accordance with the grant objectives and expense reports are received, the receivable is reduced, and the related income and expense are recognized.

Inventories are stated at lower cost or market, or net realizable value, and include supplies and agricultural commodities. Cost is determined using the weighted average method. CARE receives agricultural commodities for distribution via projects or monetization with the cash proceeds to be used in projects. Inventory includes all agricultural commodities in which title has passed to CARE regardless of whether the agricultural commodities are in transit or held in storage at the intended recipient country. For agricultural commodities for distribution, contribution and expense are recognized when distributed, or title is transferred to a partner organization. For agricultural commodities to be monetized, contribution and expense are recognized when the proceeds are utilized for the related project activities.

Inventory balances as of June 30, 2023 and 2022, were \$5.3 million and \$9.8 million, respectively.

#### Split Interest Agreements

CARE is a beneficiary to various split interest agreements and bequests such as perpetual trusts, charitable lead trusts, charitable remainder trusts, pooled income funds and charitable gift annuities. CARE recognizes contributions, assets and liabilities received under split interest agreements at fair value. Contributions from split interest agreements are recorded at the fair value of the trust assets less the present value of the estimated future payments to be made to the other beneficiaries under specified terms of the trust. A discount rate of 7.0% for both years ended June 30, 2023 and 2022 was used to determine the present value of estimated future payments.

Private contributions from split interest agreements were \$21.3 million and \$21.0 million for the years ended June 30, 2023 and 2022. Income received from the split interest agreements is reported as support either with or without donor restriction, depending on the existence or absence of donor-imposed restrictions.



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As of June 30, 2023 and 2022, more than 70% of the value of the perpetual trusts can be derived from market information. Less than 30% of the trust's value is associated with alternative investments, estimates for which are provided by the fund managers retained by the trustees. The valuation methods for the alternative investments may produce a fair value that may not be indicative of the net realizable value or reflective of future fair values. While CARE believes its valuation methodologies 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.

Charitable gift annuities obligations are included in liability for split interest agreements on the consolidated balance sheets and are recorded at the present value of expected future payments based on 2012 Individual Annuity Reserving (IAR) report and table. The obligations have been discounted at rates ranging from 0.4% to 11.3%.

Charitable gift annuities are maintained in separate portfolios and are invested in accordance with applicable laws. CARE maintains assets sufficient to meet the annuity requirements stipulated by the various state laws. CARE is required to hold reserves related to the gift annuity program based on the laws of certain states, such reserves totaled \$8.6 million and \$9.5 million as of June 30, 2023 and 2022, respectively.

#### Investments

Investments are stated at fair value. CARE's investments are diversified across strategies, managers, and geography. There are no significant concentrations of credit risk as most of the investment portfolio is held with different issuers.

#### Property and Equipment

Property and equipment are recorded at acquisition cost or estimated fair value on date of contribution. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets. The estimated useful lives by asset class are as follows:

<u>Asset</u>	<u>Estimated Useful Life</u>
Buildings	25 years
Building improvements	7 years
Software	3 to 10 years
Equipment	3 to 5 years
Leasehold improvements	Shorter of 5 years or life of the lease

#### Donor advances

Donor advances represent cash received before the related conditions are met.

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### Foreign Currency Translation

The US dollar is the functional currency for CARE's operations worldwide. Transactions in currencies other than US dollars are translated into US dollars at the rates of exchange in effect during the month of the transaction. Current assets and liabilities denominated in non-US currency are translated into US dollars at the exchange rate in effect at the date of the consolidated balance sheets. Property and equipment purchased with non-US currency are translated into US dollars at the exchange rate in effect at the time of purchase. Net transaction and translation gains and losses are included in the accompanying consolidated statements of activities in investment income and other gains and losses.

### Fair Value of Financial Instruments

CARE's financial instruments consist of cash and cash equivalents, investments, receivables, split interest agreements and associated liability, accounts payable and accrued expenses, and subsidiary loans payable. Receivables are recorded at net realizable value which approximates fair value. Investments and split interest agreements are recorded at their fair values. The liability for split interest agreements is recorded at net present value which approximates fair value. All other financial instruments are stated at a cost which approximates fair value.

### Measurement of Credit Losses on Financial Instruments

On July 1, 2023, CARE adopted ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326)* using the modified retrospective approach. This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. CECL requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts, and generally applies to financial assets measured at amortized cost, presented at the net amount expected to be collected by using an allowance for credit losses. In addition, CECL made changes to the accounting of the debt securities to present credit losses as an allowance rather than write down. The adoption did not have a material impact on CARE's financial position or consolidated statements of activities.

### Subsequent Events

Subsequent events have been evaluated through November 14, 2023, the date the financial statements were issued. There were no subsequent events that required recognition or disclosure in the consolidated financial statements.

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3. Description of Net Assets Classification and Restrictions

Net assets classification and restrictions as of June 30 are as follows:

	2023		2022	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
Available for operations	\$ 88,078	\$ –	\$ 84,902	\$ –
Property, plant and equipment	18,505	–	18,311	–
Microfinance and social enterprises	690	–	1,530	–
Right to health and gender equality	2,916	5,096	3,498	2,930
Women's economic justice	–	7,648	–	9,846
Right to food, water and nutrition and climate justice	–	10,176	–	7,061
Humanitarian action	–	6,179	–	6,179
Multi-sector and other	–	139,218	–	172,959
Split interest agreements	–	121,055	–	121,868
	<u>\$ 110,189</u>	<u>\$ 289,372</u>	<u>\$ 108,241</u>	<u>\$ 320,843</u>

Income from the split interest agreements in third party trusts is unrestricted.

4. Liquidity and Availability of Resources

CARE regularly monitors the financial resources required to meet operating and other commitments through forecasting of donor receipts and expenditures, as well as maximizing the investment of available funds. The primary sources of liquidity are CARE's cash accounts and assets invested in money market and marketable securities. CARE receives awards from three major donor groups which are essential to further our mission. Primary funding sources include contributions from private and institutional donors, grants from the US government and CARE International.

Liquidity is managed by ensuring that funding sources are available prior to or shortly after expenses are incurred. Expenses associated with programs with donor restrictions are not incurred if funding is not committed and available. Program activities are funded using donor restricted resources where cash is either provided in advance or collectable within ninety days. Programs funded by the United States government are typically reimbursed within thirty-five days through the Federal Reserve Letter of Credit program. Private donations and certain investment income without donor restrictions are used to fund general expenditures, including supporting activities, with expenses made in accordance with the annual board approved budget. As shown in note 3, CARE's financial assets available for operations within one year of the balance sheet date were \$88.1 million and \$84.9 million as of June 30, 2023 and 2022, respectively.

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CARE has established performance measures which serve as indicators of liquidity, including operating reserves. CARE defines operating reserves as discretionary net assets divided by average monthly expenses without donor restrictions, or general expenditures. CARE exceeded the operating reserve and other liquidity targets as of June 30, 2023.

CARE's endowment funds consist of donor restricted endowments that are part of net assets with donor restrictions. Income from these endowments is restricted for specific purposes and is not available for general expenditures. According to CARE's endowment spending policy, 5% of the three-year moving average balance on endowments is available for expenditures consistent with the restriction of each endowment. The appropriation from the endowment fund income was \$1.7 million and \$4.3 million for the years ended June 30, 2023 and 2022.

5. Contributions of Non-financial Assets

Contributed nonfinancial assets were utilized in programs and activities consistent with donor restrictions and comprised of the following for fiscal year 2023 and 2022:

General Category	Utilization in Programs and Activities	Valuation Techniques and Inputs	2023	2022
Agricultural commodities	Humanitarian and development programs	Lower of cost or market or net realizable value.	\$ 45,584	\$ 16,212
Ocean and inland freight	Shipping agricultural commodities for humanitarian and	Cost of transportation provided by shipping company.	21,339	9,138
Supplies	Humanitarian	Fair value provided by donor	10,696	4,106
Professional and other services	Humanitarian, general and administrative	Fair value provided by donor	1,254	781
Public service announcements (PSA) and advertising credits	Humanitarian, fundraising and public info	Market value of PSA from the service provider. Ad credits based on dollar value equivalent.	605	4,931
Software	General and administrative	Fair value provided by donor	-	914
Vehicles	General and administrative	Fair market value in specific country	-	17
			<u>\$ 79,478</u>	<u>\$ 36,100</u>

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6. Investment income and other gains (losses)

Investment gains and losses are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by donors or other governing laws.

Other non-operating changes in net assets were comprised of the following for the year ended June 30, 2023:

	Without Donor Restriction	With Donor Restriction	Total
Net realized and unrealized gain on investments	\$ 3,787	\$ 1,231	\$ 5,018
Interest and dividends, net	3,725	879	4,604
Foreign exchange gain	4,234	(59)	4,175
Other gains and losses	9	-	9
Decrease in value of split interest agreements	(71)	(1,318)	(1,389)
	<u>\$ 11,684</u>	<u>\$ 733</u>	<u>\$ 12,417</u>

Other non-operating changes in net assets were comprised of the following for the year ended June 30, 2022:

	Without Donor Restriction	With Donor Restriction	Total
Net realized and unrealized loss on investments	\$ (9,473)	\$ (5,025)	\$ (14,498)
Interest and dividends, net	2,111	1,115	3,226
Foreign exchange gain	3,850	-	3,850
Other gains and losses	(45)	-	(45)
Decrease in value of split interest agreements	(727)	(16,629)	(17,356)
	<u>\$ (4,284)</u>	<u>\$ (20,539)</u>	<u>\$ (24,823)</u>

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7. Endowments

CARE's endowments consist of ten individual funds established for a variety of purposes. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Endowments are included in Investments, at fair value, on the consolidated balance sheets.

Interpretation of Relevant Law

CARE has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, CARE classifies (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund as net assets with donor restrictions until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, CARE considers the following factors to determine to appropriate or accumulate donor-restricted endowment funds:

- Duration and preservation of the fund;
- Purposes of the organization and the donor-restricted endowment fund;
- General economic conditions;
- Possible effect of inflation and deflation;
- Expected total return from income and the appreciation and depreciation of investments;
- Other resources of CARE; and
- Investment policies of CARE.

The changes in endowment assets as of June 30 are as follows:

Net assets with donor restrictions:	2023	2022
Endowment net assets, beginning of year	\$ 29,730	\$ 37,237
Additions, investment return and change in value	2,185	(3,239)
Appropriation for expenditure	(1,660)	(4,268)
Endowment net assets, end of year	\$ 30,255	\$ 29,730

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Donor restricted endowment net assets as of June 30 consist of the following:

Net assets with donor restrictions:	2023	2022
The portion of perpetual endowment funds subject to time restriction under SPMIFA		
Without purpose restrictions	\$ 773	\$ 737
With purpose restrictions	7,091	6,609
Total endowment funds classified as net assets with donor restriction	\$ 7,864	\$ 7,345
The portion of perpetual endowment funds required to be retained permanently either by explicit donor stipulation or by SPMIFA	\$ 22,391	\$ 22,385

#### Endowment Spending Policy

CARE has a spending policy specific to endowments, which is authorized by the Board of Directors and monitored by the Finance Committee. The policy states that CARE will allocate five percent of the three-year average of the fair market value from investment earnings annually to be spent on operations, unless otherwise specified by the donor. The objective of this policy is to maintain the purchasing power of the endowment funds held in perpetuity or for a specified term as well as to provide growth through new gifts and investment return. Endowment fund assets include those assets of donor restricted funds that CARE must hold in perpetuity and changes to the value of these assets.

If the market value is less than its historical dollar value due to unfavorable market conditions, CARE will not appropriate funds for spending until the investment accounts related to the endowment fund recover its losses. If a donor defines in the agreement that distributions should occur under the standard spending formula guidelines with no restrictions due to underwater amount, the donor's wishes will override CARE's spending policy and the full amount will be distributed.

#### Strategies Employed to Achieve Endowment Investment Objectives

The investment policy describes the objective for the fund and sets ranges for asset allocation. Asset allocations are determined in accordance with the purpose and restrictions of each specific fund. The objective of the Endowment Fund is to earn the highest possible total return consistent with a level of risk suitable for these assets. At a minimum, long-term rates of return should be equal to an amount sufficient to maintain the purchasing power of these assets and provide the necessary capital to fund the spending policy.

Actual returns in any given year may vary. Considering this requirement, the portfolio is constructed using a total return approach with a significant portion of the funds invested to seek growth of principal over time. The assets are invested for the long term, and a higher short-term volatility in these assets is to be expected and accepted.

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The following is a summary of the asset allocation guidelines for each asset type:

Asset Class	2023		2022	
	Minimum	Maximum	Minimum	Maximum
Investment Grade Fixed Income	18%	45%	28%	58%
Other Fixed Income	1%	15%	–	16%
US Equity	20%	45%	27%	47%
Non-US Equity	10%	25%	5%	25%
Asset Allocation Investment	–	10%	–	–

### 8. Fair Value Measurements

CARE applies the accounting standard codification (ASC) Topic 820, *Fair Value Measurements and Disclosures* that establishes a framework for measuring fair value. Fair value is defined as the price that would be received for an asset or paid to transfer a liability (an exit price) between market participants at the measurement date. The standard establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of the fair value hierarchy are as follows:

Level 1: Inputs that reflect unadjusted quoted market prices for identical assets or liabilities in active markets that are accessible at measurement date.

Level 2: Inputs other than quoted prices that are either directly or indirectly observable for the asset or liability, including inputs in markets that are not considered to be active. Level 2 inputs may include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets in markets that are not active, observable inputs other than quoted prices for the asset or liability and inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the asset or liability. Unobservable inputs are used to measure fair value to the extent that observable inputs are not available.

CARE uses the following methods and significant assumptions to estimate fair value for its assets measured and carried at fair value. There have been no changes in the methodologies from June 30, 2021.

- Trusts held by third parties are valued using significant unobservable inputs (Level 3). The need to use unobservable inputs generally results from the lack of an active market or marketplace. CARE's Level 3 interest in trusts held by third parties includes both perpetual and non-perpetual trusts.
- Perpetual trusts are recorded at fair value based on a market approach of CARE's interest in the fair value of the underlying trust assets. Non-perpetual trusts are recorded at estimated fair value based on the present value of CARE's estimated future cash flows from the related trust. Future cash flows



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are based on an income approach (present value techniques) using internally developed models. Assumptions are made regarding the expected rate of return on the investments in the trust, the discount rate, and expected mortality of the individual(s), if the termination of the agreement is dependent on life expectancy. An expected rate of return on the investments in the trusts is estimated using historical investment returns for various relevant market indices for the estimated asset allocation of these trusts.

The following table presents the assets measured at fair value on a recurring basis as of June 30, 2023:

	Level 1	Level 2	Level 3	Fair Value Measurement
Investments				
Money market funds	\$ 2,113	\$ –	\$ –	\$ 2,113
Fixed income securities				
US treasury obligations	21,066	–	–	21,066
Agency obligations	–	201	–	201
Other fixed income securities	16,283	–	–	16,283
Exchange traded funds	7,043	–	–	7,043
Other equity securities	33,255	–	728	33,983
Mutual Funds				
Fixed income funds	5,378	–	–	5,378
Equity funds	15,084	–	–	15,084
Other mutual funds	3,607	–	–	3,607
Total Investments	103,829	201	728	104,758
Split interest agreements	\$ –	\$ –	\$ 136,306	\$ 136,306

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The following table presents the assets measured at fair value on a recurring basis as of June 30, 2022:

	Level 1	Level 2	Level 3	Fair Value Measurement
Investments				
Money market funds	\$ 665	\$ -	\$ -	\$ 665
Fixed Income Securities				
US treasury obligations	4,848	-	-	4,848
Agency obligations	-	1,424	-	1,424
Exchange traded funds	31,382	-	-	31,382
Other equity securities	-	-	755	755
Mutual Funds				
Fixed income funds	15,332	-	-	15,332
Equity funds	43,425	-	-	43,425
Other mutual funds	3,540	-	-	3,540
Total Investments	99,192	1,424	755	101,371
Split interest agreements	\$ -	\$ -	\$ 138,904	\$ 138,904

The changes in investments measured at fair value for which Level 3 inputs were used to determine the fair value are as follows:

	Equity Securities	Debt Securities	Split Interest Agreements	Total
Fair value as of June 30, 2021	\$ 760	\$ 175	\$ 156,033	\$ 156,968
Additions	-	-	225	225
Maturities or redemptions	-	(175)	(766)	(941)
Decrease in value of trusts held by third parties	-	-	(16,588)	(16,588)
Net realized and unrealized loss on investments	(5)	-	-	(5)
Fair value as of June 30, 2022	\$ 755	\$ -	\$ 138,904	\$ 139,659
Maturities or redemptions	-	-	(1,252)	(1,252)
Decrease in value of trusts held by third parties	-	-	(1,346)	(1,346)
Net realized and unrealized loss on investments	(27)	-	-	(27)
Fair value as of June 30, 2022	\$ 728	\$ -	\$ 136,306	\$ 137,034

The amount of gain or loss for the period included in the change in net assets and attributed to the change in unrealized gains and losses are included in net realized and unrealized gains and losses on investments in the consolidated statements of activities.

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9. Receivables, Net

Receivables, net were comprised of the following as of June 30:

	<u>2023</u>	<u>2022</u>
Grants and contracts receivable:		
United States government	\$ 69,046	\$ 39,789
CARE International	27,989	24,391
Other institutional donors	30,108	24,796
Private contributions	3,326	1,407
Contributions receivable:		
Promises to give, net	30,673	34,770
Other	690	717
	<u>161,832</u>	<u>125,870</u>
Allowance for uncollectible accounts	<u>(2,268)</u>	<u>(1,545)</u>
	<u>\$ 159,564</u>	<u>\$ 124,325</u>

Receivables, except multi-year promises to give, are expected to be collected within one year.

	<u>2023</u>	<u>2022</u>
Promises to give receivable:		
Due within one year	\$ 25,176	\$ 25,110
Due within two to five years	5,755	10,140
	<u>30,931</u>	<u>35,250</u>
Less discount to present value	<u>(258)</u>	<u>(480)</u>
	<u>\$ 30,673</u>	<u>\$ 34,770</u>

10. Property and Equipment, Net

Property and equipment are comprised of the following as of June 30:

	<u>2023</u>	<u>2022</u>
Land	\$ 3,067	\$ 3,067
Buildings and building improvements	14,992	14,694
Vehicles, equipment and software	79,034	75,704
Leasehold improvements	3,234	3,236
	<u>100,327</u>	<u>96,701</u>
Accumulated depreciation/amortization	<u>(81,822)</u>	<u>(78,390)</u>
	<u>\$ 18,505</u>	<u>\$ 18,311</u>

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Depreciation and amortization expenses were \$3.6 million and \$5.2 million for the years ended June 30, 2023 and 2022, respectively. Unamortized internal use software costs were \$2.2 million and \$2.4 million, respectively, and the total amount charged to expense for capitalized computer software was \$2.2 million as of June 30, 2023 and 2022.

#### 11. Leases

On July 1, 2022, CARE adopted ASU 2016-02, Leases (Topic 842) using the modified retrospective transition method. CARE has operating leases around the world for office space, warehouses, staff housing and equipment, expiring at various dates through November 30, 2031. CARE elected to apply all practical expedients upon adoption of the new standard, except for the hindsight practical expedient, such that all existing operating leases continued to be accounted for as operating leases without reassessment. The cumulative effect of the adoption did not have an impact to the opening balance of net assets as of July 1, 2023, and did not impact CARE's consolidated statements of activities, consolidated statements of functional expenses, or consolidated statements of cash flows.

CARE's property leases generally contain renewal options for periods ranging from one to five years. If it is reasonably certain to exercise the renewal options at the inception of the lease, they are considered when determining the lease term and associated payments for the option years. Operating leases with lease terms greater than one year are reported as operating lease Right-of-Use assets and operating lease liabilities in the consolidated balance sheets. The weighted average remaining lease term for operating leases is 5.5 years for the year ended June 30, 2023.

For the leases with a term of twelve months or less upon commencement with no renewal option, an accounting policy election was made to treat them as short-term leases and are not included on the consolidated balance sheets. These leases are expensed on a straight-line bases over the lease term.

Free rent and incentive payments are accounted for on a straight-line basis over the life of the lease and are netted against operating lease Right-of-Use assets.

Operating lease cost included in the Occupancy line item on the consolidated statement of functional expenses, and expenses of program and supporting activities on the consolidated statements of activities, were \$10.0 million and \$14.0 million, respectively, for the years ended June 30, 2023, and 2022.

To calculate the present value of lease payments when the rate implicit to the lease is not readily determinable, CARE uses the US Treasury note rate as the risk-free rate for operating leases. CARE uses the US Treasury note rate specific to the term of the lease at the time of adoption, or commencement date of the lease, whichever is later. The weighted average discount rate for the year ended June 30, 2023 for operating leases is 2.8%.

Real estate taxes, maintenance, insurance, and operating expenses are included in the measurement of lease liabilities when fixed and excluded when variable. Variable expenses are recognized when incurred and payments are made.

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Maturity aging of lease liabilities recognized on the consolidated balance sheets is as follows:

Years	Amount
2024	\$ 8,614
2025	5,777
2026	4,207
2027	3,167
2028	2,542
Thereafter	5,508
	<u>29,815</u>
Less discount to net present value	<u>(1,364)</u>
	<u>\$ 28,451</u>

### 12. Donor Advances

Donor advances were comprised of the following as of June 30:

	2023	2022
Commodity grants	\$ 4,627	\$ 6,144
Advances associated with:		
Private contributions	17,199	13,270
United States government	5,678	9,921
CARE International	33,720	37,154
Other institutional donors	23,497	20,587
	<u>\$ 84,721</u>	<u>\$ 87,076</u>

### 13. Defined Contribution Plans

CARE has a defined contribution plan under Internal Revenue Code Section 401(k) for employees that meet eligibility conditions. CARE contributes to a participant's account an amount equal to 4% of the participant's gross salary and matches up to 4% of a participant's contribution. The plan also allows employee after-tax contributions. Employer contributions were \$3.8 million and \$3.4 million for the years ended June 30, 2023 and 2022, respectively.

Within the various countries in which CARE operates outside the United States, most employees who are paid locally are citizens of the host country. These employees are generally not eligible for the CARE defined contribution plan, but they are eligible for local government or CARE sponsored plans appropriate for that country.

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#### 14. Contingencies, Commitments and Other Matters

In the normal course of business, CARE is party to various claims and assessments. In the opinion of management, these matters will not have a material effect on the consolidated financial position, consolidated changes in net assets or consolidated cash flows.

CARE has committed to provide funding to CARE Peru in the aggregate amount of \$24 million to be paid from fiscal years 2012 through 2034. The commitment to disburse annual funding amounts is conditional upon CARE Peru meeting agreed-upon program expenditures levels each year, and additional program quality and impact targets if expenditures fall below certain thresholds. CARE has made cumulative contributions to CARE Peru of \$13.0 million and \$12.0 million respectively, as of June 30, 2023 and 2022.

##### Tax Status

CARE is a tax-exempt organization under Section 501(c) (3) of the US Internal Revenue Code (IRC) and is therefore exempt from federal taxation under Section 501(a) of the IRC. In addition, under IRC Section 509(a) (1), CARE is a public charity and, thus, donations to CARE qualify for the maximum allowable charitable deduction. CAN is tax exempt in the USA under IRC Section 501(c)(4). CEI and CSV are taxable in the USA. AAF is a limited liability corporation treated as a partnership for federal income tax purposes in the USA.

CARE and its subsidiaries have operations in developing foreign markets and may be subject to increased risks due to political and regulatory environments, and overall market and economic factors.

#### 15. Subsidiary Information and Other Required Disclosures

Consolidated entities include:

- CARE Action Now (CAN) is a related but separate 501(c) (4) organization operating exclusively for the purpose of educating the public and influencing legislative, executive, and judiciary policymakers on the appropriate and sustainable provision of development and humanitarian assistance to underprivileged people.
- CARE Social Ventures, Inc (CSV) is a non-exempt wholly owned subsidiary that bridges the gap between philanthropy and commerce and uses the power of business and markets to reduce poverty. It aims to transform businesses into financially self-sustaining social enterprises and provide jobs, income and services for people lifting themselves out of poverty.
- CARE Enterprises, Inc. (CEI) is a non-exempt wholly owned subsidiary, created to accelerate and invest in for-benefit, financially viable ventures that alleviate poverty by creating dignified employment opportunities and access to markets. For-benefit describes those business ventures that aim to earn a profit while delivering on a social mission.
- Access Africa Fund, LLC (AAF) is a non-exempt, majority owned subsidiary operating with dual investment objectives to enable sub-Saharan micro-finance institutions to expand financial services by making debt and equity investments. CARE owns 91% of the class A capital stock. AAF gradual wind down is extended through December 2023.

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16. Subsidiary Financial Information

Statement of activities for CARE and its subsidiaries for the year ended June 30, 2023:

	Organization Holding Certificate of Exemption		Non-exempt Subsidiaries		Elimination Entries	Total 2023
	CARE, Inc	CAN	CEI and CSV	AAF		
Support	\$ 893,529	\$ 636	\$ 1,195	\$ –	\$ (1,050)	\$ 894,310
Expenses	934,791	548	1,889	72	(1,050)	936,250
Investment income and other gains and losses	12,350	–	–	(18)	85	12,417
Total changes in net assets	(28,912)	88	(694)	(90)	85	(29,523)
Net assets (deficit), beginning of year	428,770	777	898	251	(1,612)	429,084
Net assets (deficit), end of year	<u>\$ 399,858</u>	<u>\$ 865</u>	<u>\$ 204</u>	<u>\$ 161</u>	<u>\$ (1,527)</u>	<u>\$ 399,561</u>

Balance sheet information for CARE and its subsidiaries as of June 30, 2023:

	Organization Holding Certificate of Exemption		Non-exempt Subsidiaries		Elimination Entries	Total 2023
	CARE, Inc	CAN	CEI and CSV	AAF		
Total assets	\$ 624,503	\$ 873	\$ 1,320	\$ 743	\$ (1,527)	\$ 625,912
Total liabilities	224,645	8	1,116	582	–	226,351
Net assets (deficit)						
Without donor restrictions	110,486	865	204	161	(1,527)	110,189
With donor restrictions	289,372	–	–	–	–	289,372
Total net assets (deficit)	<u>399,858</u>	<u>865</u>	<u>204</u>	<u>161</u>	<u>(1,527)</u>	<u>399,561</u>
Total liabilities and net assets	<u>\$ 624,503</u>	<u>\$ 873</u>	<u>\$ 1,320</u>	<u>\$ 743</u>	<u>\$ (1,527)</u>	<u>\$ 625,912</u>

Supplementary Information and  
Reports and Schedule



CARE  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2023

Federal Agency/Subdivision	Award Reference Number	Assistance Listing No.	Pass-Through Entity	Pass-Through Entity Reference Number	Country	Cash Expenditures	Non Cash Expenditures	Total Expenditures	Payments to Subrecipients
US Department of Agriculture	FFE4722018/00800	10.608			Timor Leste	4,924,789	-	4,924,789	4,106,115
US Department of Agriculture	FFE4722022/00700	10.608			Timor Leste	2,530,009	-	2,530,009	2,115,612
			Assistance Listing # 10.608 Food for Education			7,454,798	-	7,454,798	6,221,727
Non-COVID19 Funded Grants									
US Department of Labor	IL327411875K	17.401			Ghana	1,139,590	-	1,139,590	177,252
US Department of Labor	IL356292075K	17.401			Ethiopia	886,023	-	886,023	-
			Assistance Listing # 17.401 NON COVID19 - International Labor Programs			2,025,613	-	2,025,613	177,252
COVID19 Funded Grants									
US Department of Labor	IL356292075K	17.401			Ethiopia	390,281	-	390,281	358,352
			Assistance Listing # 17.401 COVID19 - International Labor Programs			390,281	-	390,281	358,352
			Assistance Listing # 17.401 TOTAL - International Labor Programs			2,415,894	-	2,415,894	535,604
Non-COVID19 Funded Grants									
US Department of State	SLMAQM19CA2173	19.345	Vital Voices Global Partnership Inc.	SLMAQM19CA2173	Bangladesh	1,765	-	1,765	(10,788)
			Assistance Listing # 19.345 NON COVID19 - International Programs to Support Democracy, Human Rights and Labor			1,765	-	1,765	(10,788)
COVID19 Funded Grants									
US Department of State	SLMAQM19CA2173	19.345	Vital Voices Global Partnership Inc.	SLMAQM19CA2173	Bangladesh	-	-	-	-
			Assistance Listing # 19.345 COVID19 - International Programs to Support Democracy, Human Rights and Labor			-	-	-	-
			Assistance Listing # 19.345 TOTAL - International Programs to Support Democracy, Human Rights and Labor			1,765	-	1,765	(10,788)
US DoS BPRM	SPRMCO20CA0106	19.517			Egypt	(22,184)	-	(22,184)	-
US DoS BPRM	SPRMCO20CA0150	19.517			Chad	(39,063)	-	(39,063)	-
US DoS BPRM	SPRMCO21CA3080	19.517			Egypt	284,573	-	284,573	269,987
US DoS BPRM	SPRMCO21CA3135	19.517			Chad	750,067	-	750,067	61,927
US DoS BPRM	SPRMCO22CA0125	19.517			Egypt	622,141	-	622,141	551,330
US DoS BPRM	SPRMCO22CA0215	19.517			Chad	982,709	-	982,709	33,479
US DoS BPRM	SPRMCO18CA0195	19.517			Egypt	(2,458)	-	(2,458)	-
					United States				
US DoS BPRM	SPRMCO18CA0088	19.517			of America	(4,433)	-	(4,433)	-
US DoS BPRM	SPRMCO19CA0119	19.517			Egypt	(6,538)	-	(6,538)	-
					United States				
US DoS BPRM	SPRMCO19CA0108	19.517			of America	(35,443)	-	(35,443)	-
			Assistance Listing # 19.517 Overseas Refugee Assistance Programs for Africa			2,529,371	-	2,529,371	916,723

*See accompanying notes to the Schedule of Expenditures of Federal Awards.*

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US DoS BPRM	SPRMC019CA0213	19.518			Peru	(43,564)	-	(43,564)	-	
US DoS BPRM	SPRMC020CA0196	19.518			Ecuador	(58,605)	-	(58,605)	-	
US DoS BPRM	SPRMC021CA3220	19.518			Ecuador	503,442	-	503,442	375,703	
US DoS BPRM	SPRMC021CA3222	19.518			Peru	808,803	-	808,803	768,141	
US DoS BPRM	SPRMC022CA0264	19.518			Ecuador	2,374,515	-	2,374,515	1,574,930	
US DoS BPRM	SPRMC022CA0248	19.518			Peru	1,703,068	-	1,703,068	1,549,216	
US DoS BPRM	SPRMC019CA0205	19.518			Ecuador	(22,007)	-	(22,007)	-	
			Assistance Listing # 19.518 Overseas Refugee Assistance Programs for Western Hemisphere				5,265,652	-	5,265,652	4,267,990
US DoS BPRM	SPRMC019CA0198	19.519			Jordan	(32,908)	-	(32,908)	-	
US DoS BPRM	SPRMC020CA0177	19.519			Jordan	(44,900)	-	(44,900)	-	
US DoS BPRM	SPRMC020CA0218	19.519			Turkey	(54,656)	-	(54,656)	-	
US DoS BPRM	SPRMC021CA3178	19.519			Turkey	806,270	-	806,270	-	
US DoS BPRM	SPRMC021CA3194	19.519			Jordan	488,181	-	488,181	-	
US DoS BPRM	SPRMC022CA0094	19.519			Turkey	2,091,471	-	2,091,471	-	
US DoS BPRM	SPRMC018CA0081	19.519			Turkey	(9,011)	-	(9,011)	-	
					United States					
US DoS BPRM	SPRMC018CA0175	19.519			of America	(7,879)	-	(7,879)	-	
US DoS BPRM	SPRMC018CA0123	19.519			Jordan	(6,218)	-	(6,218)	-	
US DoS BPRM	SPRMC019CA0202	19.519			Turkey	(46,116)	-	(46,116)	-	
			Assistance Listing # 19.519 Overseas Refugee Assistance Program for Near East and South Asia				3,184,234	-	3,184,234	-
Non-COVID19 Funded Grants										
					Afghanistan,					
					DR Congo,					
					Jordan, South					
US DoS BPRM	SPRMC017CA2109	19.522			Sudan	(21,250)	-	(21,250)	-	
US DoS BPRM	SPRMC021CA3284	19.522	Norwegian Refugee Council	SPRMC021CA3284	Afghanistan	8,016	-	8,016	-	
US DoS BPRM	SPRMC022CA0323	19.522	Norwegian Refugee Council	SPRMC022CA0323	Afghanistan	3,802	-	3,802	-	
					Cameroon,					
					Iraq, Lebanon,					
					Myanmar,					
					Mali,					
					Bangladesh					
US DoS BPRM	SPRMC020CA0163	19.522				469,413	-	469,413	199,527	
			Assistance Listing # 19.522 NON COVID19 - Overseas Refugee Assistance Programs for Strategic Global Priorities				459,981	-	459,981	199,527
COVID19 Funded Grants										
US DoS BPRM	SPRMC021CA3284	19.522	Norwegian Refugee Council	SPRMC021CA3284	Afghanistan	402,335	-	402,335	-	
US DoS BPRM	SPRMC022CA0323	19.522	Norwegian Refugee Council	SPRMC022CA0323	Afghanistan	660,884	-	660,884	-	
			Assistance Listing # 19.522 COVID-19 -Overseas Refugee Assistance Programs for Strategic Global Priorities				1,063,219	-	1,063,219	-
			Assistance Listing # 19.522 TOTAL -Overseas Refugee Assistance Programs for Strategic Global Priorities				1,523,200	-	1,523,200	199,527

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US DoS BPRM	SPRMO22CA0300	19.523			Pakistan	224,436	-	224,436	60,697
		Assistance Listing # 19.523 Overseas Refugee Assistance Program for South Asia				224,436	-	224,436	60,697
US Department of State	SLMAQM21GR3001	19.750			Ecuador	(12,509)	-	(12,509)	-
		Assistance Listing # 19.750 Bureau of Western Hemisphere Affairs (WHA) Grant Programs (Including Energy and Climate Partnership for the Americas)				(12,509)	-	(12,509)	-
US Department of State	SLMAQM20CA2119	19.801			Nigeria, Niger	461,115	-	461,115	72,658
US Department of State	SAQMIP22CA0195	19.801			Caucasus	256,702	-	256,702	219,388
		Assistance Listing # 19.801 Office of Global Women's Issues				717,817	-	717,817	292,046
<b>United States Department of State Total</b>						<b>13,433,966</b>	<b>-</b>	<b>13,433,966</b>	<b>5,726,195</b>
Non-COVID19 Funded Grants									
US Center for Disease Control	NU2HGH000097	93.318	Natl Foundation CDC Prevention, Inc.	NU2HGH000097	Poland	185,573	-	185,573	79,788
					Democratic Republic of the Congo, South Sudan, Uganda, Chad, Kenya	1,108,407	-	1,108,407	35,372
US Center for Disease Control	NU2GGH0020640100	93.318				1,293,980	-	1,293,980	115,160
		Assistance Listing # 93.318 Protecting and Improving Health Globally: Building and Strengthening, Public Health Impact, Systems, Capacity and Security							
COVID19 Funded Grants									
US Center for Disease Control	NU2GGH0020640100	93.318			Democratic Republic of the Congo, South Sudan, Uganda, Chad, Kenya	392,402	-	392,402	(9,390)
		Assistance Listing # 93.318 COVID-19 - Protecting and Improving Health Globally: Building and Strengthening, Public Health Impact, Systems, Capacity and Security				392,402	-	392,402	(9,390)
		Assistance Listing # 93.318 TOTAL - Protecting and Improving Health Globally: Building and Strengthening, Public Health Impact, Systems, Capacity and Security				1,686,382	-	1,686,382	105,770
<b>United States Department of Health and Human Services Total</b>						<b>1,686,382</b>	<b>-</b>	<b>1,686,382</b>	<b>105,770</b>
Non-COVID19 Funded Grants									
USAID	7200AA20CA00005	98.001	IMA World Health	MIHR-CARE-001	South Sudan	1,555,625	-	1,555,625	-
USAID	72030618CA00007	98.001			Afghanistan	4,973,996	-	4,973,996	-
USAID	72030620CA00007	98.001	Jhpiego Corporation	21-SBA-046	Malawi	845,782	-	845,782	-
USAID	72036722CA00002	98.001			Nepal	4,105,395	-	4,105,395	2,027,010
USAID	72038621CA00007	98.001			India	3,180,850	-	3,180,850	2,694,478

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Federal Agency/Subdivision	Award Reference Number	Assistance Listing No.	Pass-Through Entity	Pass-Through Entity Reference Number	Country	Cash Expenditures	Non Cash Expenditures	Total Expenditures	Payments to Subrecipients
USAID	72038820CA00007	98.001			Bangladesh	1,491,542	-	1,491,542	614,657
USAID	72038821CA00003	98.001			Bangladesh	520,941	-	520,941	64,350
USAID	72049219CA00008	98.001	Cardno Emerging Markets USA, Ltd.	4752-003-CRA-004	Papua New Guinea, Australia, Papua New Guinea,	59,559	-	59,559	62,231
USAID	72049221CA00002	98.001	The Pacific Community (SPC)	GA 21/667	Vanuatu	360,601	-	360,601	311,449
USAID	72062418CA00004	98.001	National Democratic Institute	19-18107-COT.0-1645	Côte d'Ivoire	9,305	-	9,305	-
USAID	72066320CA00002	98.001	Mercy Corps	33399S001	Ethiopia	1,739,087	-	1,739,087	-
USAID	72068821CA00003	98.001			Mali	5,633,152	-	5,633,152	1,911,557
USAID	72069621CA00002	98.001	Water For People	RWUS21-CA	Rwanda	976,310	-	976,310	400,533
USAID	720BHA21CA00007	98.001	World Vision International ( WVI)	720BHA21CA00007	Somalia	178,621	-	178,621	-
USAID	720BHA21CA00021	98.001			Somalia	238,963	-	238,963	563,826
USAID	720BHA21GR00029	98.001			Honduras	(46,518)	-	(46,518)	-
USAID	720BHA21GR00065	98.001			Vanuatu	389,929	-	389,929	342,299
USAID	720BHA21GR00083	98.001			Ethiopia	6,655,151	-	6,655,151	649,889
USAID	720BHA21GR00128	98.001			Bangladesh	120,770	-	120,770	45,191
USAID	720BHA21GR00129	98.001			Guatemala	(15,528)	-	(15,528)	-
USAID	720BHA21GR00200	98.001			Turkey	4,536,641	-	4,536,641	3,779,424
USAID	720BHA21GR00208	98.001			Honduras, Mali	65,016	-	65,016	62,843
USAID	720BHA21GR00259	98.001			Bangladesh	445,661	-	445,661	26,611
USAID	720BHA21GR00354	98.001	Norwegian Refugee Council	720BHA21GR00354	Honduras	28,668	-	28,668	-
USAID	720BHA21GR00393	98.001			Zimbabwe	(21,235)	-	(21,235)	-
USAID	720BHA22GR00016	98.001			Ethiopia	4,813,106	-	4,813,106	-
USAID	720BHA22GR00023	98.001			Mozambique	1,615,277	-	1,615,277	333,945
USAID	720BHA22GR00054	98.001			Yemen	17,371,999	-	17,371,999	-
USAID	720BHA22GR00061	98.001	Action Against Hunger	720BHA22GR00061	Philippines	920,075	-	920,075	229,760
USAID	720BHA22GR00067	98.001			Australia	332,390	-	332,390	297,093
USAID	720BHA22IO00035	98.001	Intl Organization for Migration	720BHA22IO00035	Philippines	87,103	-	87,103	(453)
USAID	720FDA19CA00028	98.001			Pakistan, Ecuador, Nigeria, Philippines, South Sudan, Syria, Turkey	(20,880)	-	(20,880)	-
USAID	720FDA19CA00061	98.001			Bangladesh	791,266	-	791,266	-
USAID	720FDA19GR00043	98.001			Bangladesh	55,013	-	55,013	(84)
USAID	720FDA19GR00055	98.001			Mozambique	(213,628)	-	(213,628)	-
USAID	720FDA19GR00071	98.001			Vanuatu	(12,679)	-	(12,679)	-
USAID	720FDA19GR00240	98.001			United States of America	(8,939)	-	(8,939)	-

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Federal Agency/Subdivision	Award Reference Number	Assistance Listing No.	Pass-Through Entity	Pass-Through Entity Reference Number	Country	Cash Expenditures	Non Cash Expenditures	Total Expenditures	Payments to Subrecipients
					Kenya, Madagascar, Mozambique, Malawi,				
USAID	720FDA20CA00047	98.001			Zimbabwe	1,549,081	-	1,549,081	185,726
USAID	720FDA20CA00083	98.001			Turkey	(233,083)	-	(233,083)	-
USAID	720FDA20GR00044	98.001			Ethiopia	(20,013)	-	(20,013)	-
USAID	720FDA20GR00058	98.001			Australia	(36,010)	-	(36,010)	-
USAID	720FDA20GR00240	98.001			DR Congo	685,701	-	685,701	-
USAID	720FDA20GR00268	98.001			Yemen	(186,240)	-	(186,240)	-
USAID	720FDA20GR00276	98.001			Somalia	(136,748)	-	(136,748)	-
USAID	720FDA20GR00325	98.001			South Sudan	(28,971)	-	(28,971)	38,619
USAID	720FDA20GR00354	98.001			Lebanon	(10,647)	-	(10,647)	-
USAID	72DFFP19GR00054	98.001			Somalia	(474,719)	-	(474,719)	-
USAID	72DFFP20GR00045	98.001			Turkey	(463,027)	-	(463,027)	-
USAID	720FDA20GR00307	98.001	International Rescue Committee	720FDA20GR00307	Ethiopia	3	-	3	-
USAID	AID367A1600006	98.001	Helen Keller International	21854-01-001	Nepal	236,677	-	236,677	-
USAID	AID624A1400003	98.001			Cameroon	1,023,370	-	1,023,370	1,076,793
USAID	AID641A1500002	98.001			Ghana	76,934	-	76,934	21,171
USAID	AID687A1700002	98.001			Madagascar	3,729,772	-	3,729,772	3,378,599
USAID	AID0AAA1700004	98.001	GAP Foundation	AID-OAA-A-17-00004	India	745,345	-	745,345	658,844
USAID	720BHA22GR00340	98.001			Ethiopia	1,514,672	-	1,514,672	-
USAID	720BHA22GR00307	98.001			Sudan	3,495,006	-	3,495,006	65,969
USAID	720BHA22GR00227	98.001			Haiti	1,411,561	-	1,411,561	118,060
					Afghanistan, DR Congo, Columbia,				
USAID	720BHA22CA00047	98.001			Nepal	868,440	-	868,440	231,747
USAID	72026322CA00005	98.001	Pathfinder International	72026322CA00005	Egypt	19,328	-	19,328	12,849
USAID	720BHA22GR00132	98.001			Australia	410,173	-	410,173	373,109
USAID	720BHA22GR00243	98.001			Turkey	32,433,859	-	32,433,859	22,278,654
					Papua New				
USAID	72049222GR00003	98.001			Guinea	89,597	-	89,597	72,289
					Papua New				
USAID	720BHA22GR00213	98.001			Guinea	370,097	-	370,097	336,476
					Guatemala,				
USAID	720BHA22GR00255	98.001			Honduras	2,534,100	-	2,534,100	1,098,817
USAID	720BHA22GR00317	98.001			Lebanon	326,629	-	326,629	298,079
					Papua New				
USAID	720BHA23GR00002	98.001			Guinea	91,221	-	91,221	71,996
USAID	72062122CA00009	98.001	T-MARC Tanzania	001793082	Tanzania	342,794	-	342,794	-
USAID	720BHA22CA00060	98.001			DR Congo	1,741,341	-	1,741,341	237,845

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USAID	72038822CA00007	98.001			Bangladesh	2,072,651	-	2,072,651	465,414
USAID	720BHA22GR00347	98.001			CARE UK	167,866	-	167,866	148,986
USAID	72DFFP20GR00053	98.001			Yemen	(272,607)	-	(272,607)	-
USAID	AID641A1600004	98.001			Ghana	1,081,269	-	1,081,269	590,733
USAID	72030621CA00002	98.001	Catholic Relief Services - United States	72030621CA00002	Afghanistan	1,763,335	-	1,763,335	-
USAID	AID663A1700001	98.001			Ethiopia	7,921,862	-	7,921,862	3,086,478
USAID	72027919CA00001	98.001			Yemen	1,571,223	-	1,571,223	-
USAID	72038819CA00002	98.001			Bangladesh	(73,423)	-	(73,423)	-
USAID	720BHA23GR00056	98.001			Ethiopia	1,711,206	-	1,711,206	-
USAID	72065623GR00001	98.001			Mozambique	100,000	-	100,000	-
USAID	AID688A1300003	98.001			Mali	(4,214)	-	(4,214)	-
USAID	AIDOAAF1600042	98.001			Peru	(44)	-	(44)	-
USAID	AIDAAA1600078	98.001			Ecuador, Peru	(6,969)	-	(6,969)	-
USAID	AID388A1700004	98.001	Family Health International (FHI 360)	AID388A1700004	Bangladesh	(5,591)	-	(5,591)	-
USAID	AID521A1700006	98.001			Haiti	(2,568)	-	(2,568)	-
USAID	720FDA18GR00327	98.001			Guatemala	(153)	-	(153)	-
USAID	720FDA18CA00030	98.001			Pakistan	(7,364)	-	(7,364)	-
USAID	720FDA18GR00221	98.001			Yemen	(77,534)	-	(77,534)	-
USAID	72DFFP18GR00074	98.001			DR Congo	(30,387)	-	(30,387)	-
USAID	720FDA18GR00262	98.001			Somalia	(18,943)	-	(18,943)	-
USAID	720FDA18GR00148	98.001			United States of America	(1,719)	-	(1,719)	-
USAID	72DFFP19GR00041	98.001			Turkey	(157,958)	-	(157,958)	-
USAID	720FDA19GR00081	98.001			South Sudan	(16,822)	-	(16,822)	-
USAID	720FDA19GR00144	98.001			Malawi	(4,089)	-	(4,089)	-
USAID	720FDA19GR00199	98.001			Sudan	(22,545)	-	(22,545)	-
USAID	720FDA19GR00221	98.001			South Sudan, T	(6,641)	-	(6,641)	-
USAID	720FDA19GR00197	98.001			Somalia	(108,408)	-	(108,408)	-
USAID	72049220GR00003	98.001			United States of America	(1,731)	-	(1,731)	-
USAID	720FDA20GR00034	98.001			United States of America	(14,351)	-	(14,351)	-
USAID	720FDA20GR00017	98.001			Malawi	(14,903)	-	(14,903)	-
USAID	720FDA20GR00090	98.001			Mozambique	(15,366)	-	(15,366)	-
USAID	720FDA20GR00074	98.001			United States of America	(9,732)	-	(9,732)	-
USAID	720FDA20GR00091	98.001			Ethiopia	(5,808)	-	(5,808)	-
USAID	72DFFP18GR00027	98.001			Somalia	(19,163)	-	(19,163)	-
USAID	720FDA18GR00268	98.001			Bangladesh	(1,173)	-	(1,173)	-
USAID	720FDA18GR00237	98.001			Afghanistan	(4,891)	-	(4,891)	-
USAID	720FDA18GR00153	98.001			South Sudan	(1,587)	-	(1,587)	-
USAID	720FDA18GR00197	98.001			United States of America	(2,391)	-	(2,391)	-
USAID	720FDA18GR00264	98.001			DR Congo	(16,208)	-	(16,208)	-
USAID	720FDA18GR00286	98.001			Sudan	(3,027)	-	(3,027)	-
USAID	720FDA19GR00148	98.001			United States of America	(15,117)	-	(15,117)	-
USAID	720FDA18GR00177	98.001			Zimbabwe	(2,141)	-	(2,141)	-

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USAID	720BHA22CA00050	98.001			Bangladesh	672,898	-	672,898	149,757	
USAID	72064123CA00005	98.001			Ghana	321,909	-	321,909	94,177	
USAID	72038823CA00003	98.001			Bangladesh	183,422	-	183,422	-	
USAID	72038823CA00004	98.001			Bangladesh	27,556	-	27,556	14,859	
USAID	720BHA23GR00202	98.001			Mozambique	5,352	-	5,352	-	
USAID	72065622GR00001	98.001			Mozambique	26,865	-	26,865	-	
					United States					
USAID	72049223GR00001	98.001			of America	191,812	-	191,812	176,120	
			Assistance Listing # 98.001 NON COVID19 - USAID Foreign Assistance for Programs Overseas				132,738,288	-	132,738,288	49,698,775
COVID19 Funded Grants										
USAID	72DFFP20GR00053	98.001			Yemen	-	-	-	-	
USAID	AID641A1600004	98.001			Ghana	151,048	-	151,048	-	
USAID	72030621CA00002	98.001	Catholic Relief Services - United States	72030621CA00002	Afghanistan	2,127	-	2,127	-	
USAID	AID663A1700001	98.001			Ethiopia	230	-	230	328	
USAID	72027919CA00001	98.001			Yemen	201,451	-	201,451	-	
USAID	720FDA20GR00058	98.001			Australia	-	-	-	-	
USAID	720FDA20GR00268	98.001			Yemen	-	-	-	-	
USAID	720FDA20GR00325	98.001			South Sudan	1,301,935	-	1,301,935	5,143	
					Honduras,					
					Mali					
USAID	720BHA21GR00208	98.001				309,238	-	309,238	-	
USAID	720BHA21CA00021	98.001			Somalia	29,743,690	-	29,743,690	862,136	
USAID	720BHA21GR00393	98.001			Zimbabwe	311,309	-	311,309	-	
USAID	AID624A1400003	98.001			Cameroon	143,955	-	143,955	131,914	
USAID	72038819CA00002	98.001			Bangladesh	-	-	-	-	
USAID	720FDA20GR00091	98.001			Ethiopia	-	-	-	-	
USAID	720FDA20GR00090	98.001			Mozambique	-	-	-	-	
					United States					
					of America					
USAID	720FDA20GR00074	98.001				-	-	-	-	
			Assistance Listing # 98.001 COVID19 - USAID Foreign Assistance for Programs Overseas				32,164,983	-	32,164,983	999,521
			Assistance Listing # 98.001 TOTAL - USAID Foreign Assistance for Programs Overseas				164,903,271	-	164,903,271	50,698,296
USAID	720BHA22GR00389	98.003			Niger	-	345,912	345,912	-	
			Assistance Listing # 98.003 Ocean Freight Reimbursement Program (OFR)				-	345,912	345,912	-
USAID	720BHA21CA00036	98.007	World Vision International ( WVI)	720BHA21CA00036-CARE	Ethiopia	7,640,659	4,066,845	11,707,504	-	
USAID	72DFFP18CA00004	98.007			Niger	7,261,199	776,386	8,037,585	1,322,962	
USAID	72DFFP19CA00004	98.007			Malawi	24,413,709	-	24,413,709	10,697,190	

See accompanying notes to the Schedule of Expenditures of Federal Awards.

**CARE**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2023**

Federal Agency/Subdivision	Award Reference Number	Assistance Listing No.	Pass-Through Entity	Pass-Through Entity Reference Number	Country	Cash Expenditures	Non Cash Expenditures	Total Expenditures	Payments to Subrecipients	
USAID	72DFFP19LA00001	98.007	Save the Children Federation	SA#: 999003591	United States of America	32,780	-	32,780	-	
USAID	72DFFP19LA00001	98.007	University Of Arizona	72DFFP19LA00001	Bangladesh	87,418	-	87,418	-	
USAID	72DFFP19LA00001	98.007	Save the Children Federation	999004230	United States of America	68,932	-	68,932	-	
USAID	72DFFP20CA00007	98.007			Zimbabwe	13,525,330	2,350,220	15,875,550	2,779,155	
USAID	AIDFFPA1500009	98.007			Bangladesh	1,377,101	-	1,377,101	129,025	
USAID	AIDFFPA1500013	98.007			Mali	(132,242)	-	(132,242)	-	
USAID	AIDFFPA1600008	98.007	World Vision International ( WVI)	AIDFFPA1600008-CARE	Ethiopia	(38,511)	-	(38,511)	-	
USAID	AIDFFPA1300005	98.007			Haiti	(8,254)	-	(8,254)	-	
USAID	AIDFFPA1300005	98.007			Haiti	(21,342)	-	(21,342)	-	
			Assistance Listing # 98.007 Food for Peace Development Assistance Program (DAP)				54,206,779	7,193,451	61,400,230	14,928,332
USAID	AIDFFPA1200009	98.008	Catholic Relief Services - United States	AIDFFPA1200009	Ethiopia	7,193,139	31,229,343	38,422,482	-	
USAID	720BHA22CA00005	98.008	Catholic Relief Services - United States	R4.22.SUBAGR.20653.25074.01.00	Ethiopia	1,569,952	12,591,446	14,161,398	-	
USAID	720BHA22CA00041	98.008	Catholic Relief Services	R4.22.SUBAGR.20687.25074.01.00	Ethiopia	2,432,897	13,512,118	15,945,015	-	
			Assistance Listing # 98.008 Food for Peace Emergency Program (EP)				11,195,988	57,332,907	68,528,895	-
			Total Foreign Food Aid Donation Cluster				65,402,767	64,526,358	129,929,125	14,928,332
USAID	72038822FA00003	98.U01			Bangladesh	122,552	-	122,552	53,947	
USAID	72044021C00001	98.U01	Deloitte Consulting LLP USAID	109224-1	Vietnam	244,061	-	244,061	116,284	
USAID	72065622C00002	98.U01	Tetra Tech ARD	1108-CARE-001	Mozambique	150,077	-	150,077	-	
USAID	72066821C00007	98.U01	(DAI) Development Alternatives, Inc	1004715-S21-36946-00	South Sudan	197,082	-	197,082	-	
USAID	72066821C00009	98.U01	DT GLOBAL, Inc.	2647.SUDN.1068.0001.01	South Sudan	418,278	-	418,278	-	
USAID	72068822C00001	98.U01	Tetra Tech ARD	1111-CARE US-CPFF-1	Mali	245,068	-	245,068	-	
			Assistance Listing # 98.U01				1,377,118	-	1,377,118	170,231
<b>United States Agency for International Development Total</b>						<b>231,683,156</b>	<b>64,872,270</b>	<b>296,555,426</b>	<b>65,796,859</b>	
<b>GRAND TOTAL</b>						<b>256,674,196</b>	<b>64,872,270</b>	<b>321,546,466</b>	<b>78,386,155</b>	

*See accompanying notes to the Schedule of Expenditures of Federal Awards.*



CARE  
Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2023

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) summarizes the federal expenditures of CARE under programs of the federal government for the year ended June 30, 2023. Because the Schedule presents only a selected portion of the operations of CARE, it is not intended to and does not present the financial position, results of operations, or cash flows of CARE.

For purposes of the Schedule, federal awards include all grants entered into directly, and via pass-through, between CARE and agencies and departments of the federal government.

2. Summary of Significant Accounting Policies

For the purpose of the Schedule of Expenditures of Federal Awards, expenditures for federal award programs are recognized on the accrual basis of accounting. Negative amounts on the Schedule are adjustments to expenditures reported in the prior years.

Agricultural and other commodities are recorded as inventory when shipped to a CARE country office or held in storage in the destination country prior to distribution. Revenue and expense (program activity) are recognized when the commodities are distributed, on a first-in, first-out basis. Freight expense is recognized as expense when incurred. Agricultural and other commodities are recorded at an ascribed amount representing the market valuation placed thereon by the Commodity Credit Corporation (as an agency of the United States government). Donated ocean freight is recorded based on the carrier's bill of lading.

For the year ended June 30, 2023 the non-cash expenses provided to sub-recipients have been added to the Payments to Sub-recipients. The non-cash expense includes agricultural commodities and ocean freight.

3. Indirect Cost Rate

CARE did not elect to use the 10% de minimis cost rate permitted by the Uniform Guidance.



## **Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

Management and the Board of Directors  
Cooperative for Assistance and Relief Everywhere, Inc.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the consolidated financial statements of Cooperative for Assistance and Relief Everywhere, Inc. and Subsidiaries (CARE), which comprise the consolidated balance sheet as of June 30, 2023, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes (collectively referred to as the “financial statements”), and have issued our report thereon dated November 14, 2023.

### **Adoption of ASU No. 2016-02, Leases**

As discussed in Note 11 to the consolidated financial statements, CARE changed its method of accounting for leases in 2023 due to the adoption of Accounting Standards Update (ASU) 2016-02, Leases (Topic 842), as amended, effective July 1, 2022, using the modified retrospective approach. Our opinion is not modified with respect to this matter.

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered CARE’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CARE’s internal control. Accordingly, we do not express an opinion on the effectiveness of CARE’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.



## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether CARE's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Ernst + Young LLP*

November 14, 2023



## **Report of Independent Auditors on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance**

Management and the Board of Directors  
Cooperative for Assistance and Relief Everywhere, Inc.

### **Report of Independent Auditors on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited Cooperative for Assistance and Relief Everywhere, Inc.'s (CARE) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of CARE's major federal programs for the year ended June 30, 2023. CARE's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, CARE complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of CARE 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 on compliance for each major federal program. Our audit does not provide a legal determination of CARE's compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to CARE's federal programs.



### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on CARE's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about CARE's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 CARE's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of CARE's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of CARE's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a



combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Ernst + Young LLP*

November 14, 2023

CARE  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2023

Section I—Summary of Auditor’s Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

	Unmodified		
Internal control over financial reporting:			
Material weakness(es) identified?	_____ yes	_____ <u>X</u> no	
Significant deficiency(ies) identified?	_____ yes	_____ <u>X</u> none reported	
Noncompliance material to financial statements noted?	_____ yes	_____ <u>X</u> no	

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?	_____ _____ yes	_____ <u>X</u> no
Significant deficiency(ies) identified?	_____ _____ yes	_____ <u>X</u> none reported

Type of auditor’s report issued on compliance for major federal programs

	Unmodified		
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____ yes	_____ <u>X</u> no	

Identification of major federal programs:

<u>Assistance Listing number</u>	<u>Name of federal program or cluster</u>
<ul style="list-style-type: none"> <li>• 98.001</li> <li>• 10.608</li> </ul>	<ul style="list-style-type: none"> <li>• USAID Foreign Assistance for Programs Overseas</li> <li>• Food for Education</li> </ul>

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 3,000,000

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Auditee qualified as low-risk auditee? \_\_\_\_\_ X yes \_\_\_\_\_ no

CARE  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2023

Section II—Financial Statement Findings

Findings: No matters were reported.

Section III—Federal Award Findings and Questioned Costs

Findings: No matters were reported.