

**WHAT ABOUT REMEMBERING ME CENTER, INC.
(DBA: THE WARM PLACE) AND WARM FOUNDATION, INC.**

COMBINED FINANCIAL STATEMENTS

**YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR THE
YEAR ENDED DECEMBER 31, 2022)**



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAcconnect.com

**WHAT ABOUT REMEMBERING ME CENTER, INC.
(DBA: THE WARM PLACE) AND WARM FOUNDATION, INC.
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022)**

INDEPENDENT AUDITORS' REPORT	1
COMBINED FINANCIAL STATEMENTS	
COMBINED STATEMENT OF FINANCIAL POSITION	4
COMBINED STATEMENT OF ACTIVITIES	5
COMBINED STATEMENT OF FUNCTIONAL EXPENSES	6
COMBINED STATEMENT OF CASH FLOWS	7
NOTES TO COMBINED FINANCIAL STATEMENTS	8



INDEPENDENT AUDITORS' REPORT

Board of Directors
What About Remembering Me Center, Inc.
(dba: The WARM Place) and WARM Foundation, Inc.
Fort Worth, Texas

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying combined financial statements of What About Remembering Me Center, Inc. (dba: The WARM Place) and WARM Foundation, Inc. which comprise the combined statement of financial position as of December 31, 2023, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of What About Remembering Me Center, Inc. (dba: The WARM Place) and WARM Foundation, Inc. as of December 31, 2023, and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of What About Remembering Me Center, Inc. (dba: The WARM Place) and WARM Foundation, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about What About Remembering Me Center, Inc. (dba: The WARM Place) and WARM Foundation, Inc.'s ability to continue as a going concern for one year after the date the combined financial statements are available to be issued.

Board of Directors
What About Remembering Me Center, Inc.
(dba: The WARM Place) and WARM Foundation, Inc.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 combined financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined 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 combined 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 What About Remembering Me Center, Inc. (dba: The WARM Place) and WARM Foundation, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about What About Remembering Me Center, Inc. (dba: The WARM Place) and WARM Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Board of Directors
What About Remembering Me Center, Inc.
(dba: The WARM Place) and WARM Foundation, Inc.

Report on Summarized Comparative Information

We have previously audited What About Remembering Me Center, Inc. dba: The WARM Place and WARM Foundation, Inc.'s 2022 combined financial statements, and we expressed an unmodified audit opinion on those audited combined financial statements in our report dated May 31, 2023. In our opinion, the combined summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited combined financial statements from which it has been derived.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Fort Worth, Texas
April 2, 2024

**WHAT ABOUT REMEMBERING ME CENTER, INC.
(DBA: THE WARM PLACE) AND WARM FOUNDATION, INC.
COMBINED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2022)**

	The WARM	WARM	Eliminations	Combined Totals	
	Place	Foundation, Inc.		2023	2022
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 528,017	\$ 206,103	\$ -	\$ 734,120	\$ 1,553,940
Investments	3,115,580	1,089,282	-	4,204,862	3,943,679
Employee Retention Credit Receivable	129,534	-	-	129,534	-
Accounts Receivable	1,191	-	-	1,191	-
Pledges Receivable	1,000	10,000	-	11,000	68,837
Prepaid Expenses	30,354	-	-	30,354	1,920
Total Current Assets	<u>3,805,676</u>	<u>1,305,385</u>	<u>-</u>	<u>5,111,061</u>	<u>5,568,376</u>
OPERATING RIGHT OF USE ASSET	21,342	-	-	21,342	-
PROPERTY AND EQUIPMENT, Net	<u>104,485</u>	<u>3,357,651</u>	<u>-</u>	<u>3,462,136</u>	<u>2,708,072</u>
Total Assets	<u>\$ 3,931,503</u>	<u>\$ 4,663,036</u>	<u>\$ -</u>	<u>\$ 8,594,539</u>	<u>\$ 8,276,448</u>
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts Payable	\$ 11,463	\$ 136,345	\$ -	\$ 147,808	\$ 252,653
Accrued Expenses	12,023	-	-	12,023	46,163
Current Lease Liability - Operating	<u>6,831</u>	<u>-</u>	<u>-</u>	<u>6,831</u>	<u>-</u>
Total Current Liabilities	30,317	136,345	-	166,662	298,816
LONG-TERM LEASE LIABILITY - OPERATING	14,511	-	-	14,511	-
Total Liabilities	<u>44,828</u>	<u>136,345</u>	<u>-</u>	<u>181,173</u>	<u>298,816</u>
NET ASSETS					
Without Donor Restrictions:					
Operations	3,874,120	4,526,691	-	8,400,811	6,050,471
With Donor Restrictions:					
Purpose Restriction	<u>12,555</u>	<u>-</u>	<u>-</u>	<u>12,555</u>	<u>1,927,161</u>
Total Net Assets	<u>3,886,675</u>	<u>4,526,691</u>	<u>-</u>	<u>8,413,366</u>	<u>7,977,632</u>
Total Liabilities and Net Assets	<u>\$ 3,931,503</u>	<u>\$ 4,663,036</u>	<u>\$ -</u>	<u>\$ 8,594,539</u>	<u>\$ 8,276,448</u>

See accompanying Notes to Combined Financial Statements.

**WHAT ABOUT REMEMBERING ME CENTER, INC.
(DBA: THE WARM PLACE) AND WARM FOUNDATION, INC.
COMBINED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022)**

	The WARM Place			Warm Foundation, Inc.			Eliminations	Combined Totals	
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total		2023	2022
	REVENUES AND OTHER SUPPORT								
Contributions	\$ 1,054,046	\$ 11,955	\$ 1,066,001	\$ 1,568	\$ 3,800	\$ 5,368	\$ -	\$ 1,071,369	\$ 2,603,523
Contributions of Nonfinancial Assets	29,187	-	29,187	-	-	-	-	29,187	31,746
Contributions, Related Party	109,200	-	109,200	(109,200)	-	(109,200)	-	-	-
Management Fee Income	31,500	-	31,500	-	-	-	(31,500)	-	-
Special Events, Net of Direct Costs of \$141,280 in 2023 and \$128,462 in 2022	468,714	-	468,714	-	-	-	-	468,714	405,230
Investment Income, Net of Fees	94,752	-	94,752	39,646	-	39,646	-	134,398	111,335
Rental Income, Related Party	-	-	-	109,200	-	109,200	(109,200)	-	-
Net Unrealized and Realized Gain (Loss) on Investments	284,426	-	284,426	120,558	-	120,558	-	404,984	(801,617)
Grant Revenue from COVID Relief Acts	129,534	-	129,534	-	-	-	-	129,534	-
Loss on Disposition of Assets	(21,587)	-	(21,587)	(41,050)	-	(41,050)	-	(62,637)	-
Net Assets Released from Restrictions: Satisfaction of Purpose Restrictions	5,838	(5,838)	-	1,924,523	(1,924,523)	-	-	-	-
Total Revenues and Other Support	2,185,610	6,117	2,191,727	2,045,245	(1,920,723)	124,522	(140,700)	2,175,549	2,350,217
EXPENSES									
Program Services	1,280,316	-	1,280,316	91,073	-	91,073	(92,820)	1,278,569	1,044,841
Supporting Services:									
General and Administrative	61,978	-	61,978	14,339	-	14,339	(5,460)	70,857	57,651
Fundraising	363,564	-	363,564	69,245	-	69,245	(42,420)	390,389	289,123
Total Supporting Services	425,542	-	425,542	83,584	-	83,584	(47,880)	461,246	346,774
Total Expenses	1,705,858	-	1,705,858	174,657	-	174,657	(140,700)	1,739,815	1,391,615
INCREASE (DECREASE) IN NET ASSETS	479,752	6,117	485,869	1,870,588	(1,920,723)	(50,135)	-	435,734	958,602
Net Assets - Beginning of Year	3,394,368	6,438	3,400,806	2,656,103	1,920,723	4,576,826	-	7,977,632	7,019,030
NET ASSETS - END OF YEAR	\$ 3,874,120	\$ 12,555	\$ 3,886,675	\$ 4,526,691	\$ -	\$ 4,526,691	\$ -	\$ 8,413,366	\$ 7,977,632

See accompanying Notes to Combined Financial Statements.

**WHAT ABOUT REMEMBERING ME CENTER, INC.
(DBA: THE WARM PLACE) AND WARM FOUNDATION, INC.
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022)**

	The WARM Place					WARM Foundation, Inc.					Combined Totals		
	Supporting Services				Total	Supporting Services				Total	Eliminations	2023	2022
	Program Services	General and Administrative	Fundraising	Total Supporting Services		Program Services	General and Administrative	Fundraising	Total Supporting Services			2023	2022
Personnel Expenses:													
Salaries and Contract Labor	\$ 742,453	\$ 11,000	\$ 225,566	\$ 236,566	\$ 979,019	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 979,019	\$ 796,073
Payroll Taxes	55,083	(15,441)	12,517	(2,924)	52,159	-	-	-	-	-	-	52,159	62,113
Employee Benefits	107,702	1,982	27,004	28,986	136,688	-	-	-	-	-	-	136,688	115,334
Total Personnel Expenses	905,238	(2,459)	265,087	262,628	1,167,866	-	-	-	-	-	-	1,167,866	973,520
Other Expenses:													
Membership Dues	864	553	1,020	1,573	2,437	-	-	-	-	-	-	2,437	2,091
Subscriptions	7,859	239	1,480	1,719	9,578	-	-	-	-	-	-	9,578	10,733
Insurance	8,985	498	996	1,494	10,479	6,015	354	707	1,061	7,076	-	17,555	17,538
Training and Travel	6,404	-	3,941	3,941	10,345	-	-	-	-	-	-	10,345	10,433
Special Events	-	-	141,990	141,990	141,990	-	-	-	-	-	-	141,990	128,798
Camping Program	17,805	-	-	-	17,805	-	-	-	-	-	-	17,805	16,393
Supplies	19,967	3,640	1,019	4,659	24,626	-	-	-	-	-	-	24,626	18,776
Program Material	41,673	2,038	4,183	6,221	47,894	-	-	-	-	-	-	47,894	32,432
Public Relations	14,321	1,609	2,483	4,092	18,413	-	-	-	-	-	-	18,413	14,166
Occupancy	151,925	8,936	17,899	26,835	178,760	-	-	-	-	-	(109,200)	69,560	57,410
Professional Fees	29,545	39,123	18,222	57,345	86,890	-	8,775	58,531	67,306	67,306	(31,500)	122,696	79,401
Printing	13,918	117	15,278	15,395	29,313	-	-	-	-	-	-	29,313	25,971
Postage	9,115	829	4,684	5,513	14,628	-	-	-	-	-	-	14,628	12,665
Repairs and Maintenance	7,064	416	831	1,247	8,311	4,038	238	475	713	4,751	-	13,062	3,571
Furniture & Fixtures	28,527	231	461	692	29,219	19,615	1,154	2,308	3,462	23,077	-	52,296	-
Website Expenses	-	-	-	-	-	-	-	-	-	-	-	-	8,000
General	8,176	5,681	24,182	29,863	38,039	-	206	-	206	206	-	38,245	33,903
Total Other Expenses	366,148	63,910	238,669	302,579	668,727	29,668	10,727	62,021	72,748	102,416	(140,700)	630,443	472,281
Depreciation	8,930	527	1,088	1,615	10,545	61,405	3,612	7,224	10,836	72,241	-	82,786	74,276
Total Expenses Before Netted Costs	1,280,316	61,978	504,844	566,822	1,847,138	91,073	14,339	69,245	83,584	174,657	(140,700)	1,881,095	1,520,077
Less: Costs Included with Revenues in the Combined Statement of Activities	-	-	(141,280)	(141,280)	(141,280)	-	-	-	-	-	-	(141,280)	(128,462)
Total Expenses	<u>\$ 1,280,316</u>	<u>\$ 61,978</u>	<u>\$ 363,564</u>	<u>\$ 425,542</u>	<u>\$ 1,705,858</u>	<u>\$ 91,073</u>	<u>\$ 14,339</u>	<u>\$ 69,245</u>	<u>\$ 83,584</u>	<u>\$ 174,657</u>	<u>\$ (140,700)</u>	<u>\$ 1,739,815</u>	<u>\$ 1,391,615</u>

See accompanying Notes to Combined Financial Statements.

**WHAT ABOUT REMEMBERING ME CENTER, INC.
(DBA: THE WARM PLACE) AND WARM FOUNDATION, INC.
COMBINED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022)**

	WARM			Combined Totals	
	The WARM Place	Foundation, Inc.	Eliminations	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES					
Change in Net Assets	\$ 485,869	\$ (50,135)	\$ -	\$ 435,734	\$ 958,602
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:					
Depreciation	10,545	72,241	-	82,786	74,276
Net Unrealized and Realized (Gain) Loss on Investments	(284,426)	(120,558)	-	(404,984)	801,617
Loss on Disposals of Property and Equipment	21,587	41,050	-	62,637	-
Contributions Restricted for Long-Term Purposes	-	(3,800)	-	(3,800)	(1,803,201)
Increase (Decrease) in Operating Assets:					
Employee Retention Credit Receivable	(129,534)	-	-	(129,534)	-
Accounts Receivable	(1,191)	-	-	(1,191)	-
Pledges Receivable	16,810	41,027	-	57,837	(23,837)
Prepaid Expenses	(28,434)	-	-	(28,434)	2,742
Related Party Receivable	-	1,579	-	1,579	17,500
Increase (Decrease) in Operating Liabilities:					
Accounts Payable	10,845	(115,690)	-	(104,845)	227,445
Related Party Payable	(1,579)	-	-	(1,579)	(17,500)
Accrued Expenses	(34,140)	-	-	(34,140)	37,639
Net Cash Provided (Used) by Operating Activities	<u>66,352</u>	<u>(134,286)</u>	<u>-</u>	<u>(67,934)</u>	<u>275,283</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of Property and Equipment	(40,257)	(859,230)	-	(899,487)	(1,193,665)
Purchase of Investments	(205,371)	(48,723)	-	(254,094)	(489,687)
Proceeds from Sale of Investments	109,259	288,636	-	397,895	310,617
Net Cash Used by Investing Activities	<u>(136,369)</u>	<u>(619,317)</u>	<u>-</u>	<u>(755,686)</u>	<u>(1,372,735)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from Contributions Restricted for Investment in Property and Equipment	-	3,800	-	3,800	1,803,201
Net Cash Provided by Financing Activities	<u>-</u>	<u>3,800</u>	<u>-</u>	<u>3,800</u>	<u>1,803,201</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(70,017)</u>	<u>(749,803)</u>	<u>-</u>	<u>(819,820)</u>	<u>705,749</u>
Cash and Cash Equivalents - Beginning of Year	<u>598,034</u>	<u>955,906</u>	<u>-</u>	<u>1,553,940</u>	<u>848,191</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 528,017</u>	<u>\$ 206,103</u>	<u>\$ -</u>	<u>\$ 734,120</u>	<u>\$ 1,553,940</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES					
Donated Securities	\$ 20,384	\$ -	\$ -	\$ 20,384	\$ 9,660
Operating Right of Use Asset:					
Right of Use Asset	21,342	-	-	21,342	-
Right of Use Liability	<u>\$ (21,342)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (21,342)</u>	<u>\$ -</u>

See accompanying Notes to Combined Financial Statements.

**WHAT ABOUT REMEMBERING ME CENTER, INC.
(DBA: THE WARM PLACE) AND WARM FOUNDATION, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2022)**

NOTE 1 NATURE OF THE ORGANIZATION AND PROGRAMS PROVIDED

Organization

The What About Remembering Me Center, Inc. (dba: The WARM Place) was incorporated in 1988 for the purpose of providing support for children and their families who are experiencing the death of a family member or friend. The service is open to anyone in need of such support, and most referrals come from Cook Children's Medical Center and local schools. Funding is generally provided by private contributions. The WARM Foundation, Inc. (WARM Foundation) was formed to hold and invest assets for the benefit of The WARM Place.

The What About Remembering Me Center, Inc. dba: The WARM Place is a nonprofit 501(c)(3) agency, our mission is to provide year-round grief support services to children ages 3½ to 18 and their families, as well as young adults ages 19 to 25 who have experienced the death of a loved one.

From day one, our founders agreed that families should not have to bear the financial burden of grief support to participate in our program. Therefore since 1989, we have served over 47,500 children and their families and have never once asked any clients to pay a fee while participating in the program. The WARM Place is supported solely through private donations and grants. We do not receive state or federal funding, and we are not an affiliated United Way partner agency. The Board of Directors, staff, and community supporters are dedicated to pursuing the necessary funds to sustain our program as it fills a critical need in the community.

In 2023 we served 2,139 individuals.

Program Services

The core of The WARM Place program is our bi-weekly peer support groups for grieving children (K-12) and their families. In addition to our groups, families can also participate in our Family Nights, as well as our fall family camp, "Camp Remember Me." Our staff also offers valuable resources and trainings to the community throughout the year. Below is a list of our ongoing services:

In-Person Evening Support Groups

Eight ongoing group nights for children (K-12) and their parents/guardians. These groups meet in-person every other week, and each weeknight is designated for a different group based upon the type of relationship loss: sibling, parent, or grandparent/extended family/friend.

Virtual Evening Support Groups

Online support groups offered to children (K-12) and their parents/guardians every other Tuesday evening. Each night hosts two adult groups and four children's groups, separated by age.

**WHAT ABOUT REMEMBERING ME CENTER, INC.
(DBA: THE WARM PLACE) AND WARM FOUNDATION, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2022)**

NOTE 1 NATURE OF THE ORGANIZATION AND PROGRAMS PROVIDED (CONTINUED)

Program Services (Continued)

Pre K Program

A support group for children ages 3½ to 5 and their parents and caregivers, offered for ten weeks in the spring and fall.

Young Adult Program

A support group for young adults ages 19 to 25, offered for eight weeks in the spring, summer, and fall.

Spanish-Speaking Support

The WARM Place is equipped with two bilingual Group Directors who provide support, counsel, and resources to Spanish speaking families. Intake appointments can be conducted in Spanish as needed, and WARM Place paperwork, resources, and the website are all available in Spanish. In addition, The WARM Place offers an adult support group for caregivers who speak Spanish, complete with handouts and resources all provided in Spanish.

Family Nights

Family fun events for past, present, and future WARM Place families. These events are offered six times per year and are designed to focus on making new memories as a family after a death. Each event is free to attend and features a different theme with various activities.

An annual family camp weekend that is offered each fall, at no cost, to WARM Place families. Camp provides a unique opportunity for families to grow together in their grief journey as they experience healing, have fun, enjoy WARM Place community, and create new memories while remembering their loved ones.

Assessments, Referrals, and Crisis Counseling

The WARM Place has a clinical team consisting of five master's level mental health professionals. This team spends much of their time during the day providing assessments, referrals to outside resources, and crisis counseling to individuals.

Community Outreach

The WARM Place participates in community awareness fairs and provides speakers for special events and meetings upon request. In addition, our staff members also host tours and question-and-answer sessions with local school professionals and community members throughout the year.

**WHAT ABOUT REMEMBERING ME CENTER, INC.
(DBA: THE WARM PLACE) AND WARM FOUNDATION, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2022)**

NOTE 1 NATURE OF THE ORGANIZATION AND PROGRAMS PROVIDED (CONTINUED)

Program Services (Continued)

Bereavement Trainings and Workshops

The WARM Place conducts numerous trainings and workshops throughout the year focused on strategies and tools to support grieving children. These trainings are largely designed to help local schools and organizations better support their students and clients who have experienced a death loss. In 2021, 2022, and 2023, The WARM Place was chosen to present at the annual symposium for the National Alliance for Children's Grief. In addition to these national presentations, The WARM Place program staff conducts two "Grief Talk" trainings each year, which are hour-long presentations designed for individuals in the community who want to learn how to support grieving children.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies is presented to assist in understanding The WARM Place and WARM Foundation combined financial statements. The combined financial statements and notes are representations of The WARM Place and WARM Foundation management who are responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America (U.S. GAAP) and have been consistently applied in the preparation of the combined financial statements.

Combined Financial Statements

The accompanying combined financial statements include the accounts of The WARM Place and WARM Foundation both of which are under common control. Significant intercompany transactions and balances have been eliminated in the combination.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

**WHAT ABOUT REMEMBERING ME CENTER, INC.
(DBA: THE WARM PLACE) AND WARM FOUNDATION, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2022)**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets (Continued)

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

The WARM Place and WARM Foundation reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statement of activities as Net Assets Released from Restrictions.

Comparative Data

The combined financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the combined financial statements for the year ended December 31, 2022.

Cash and Cash Equivalents

The WARM Place and WARM Foundation considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. The WARM Place and WARM Foundation places its cash with financial institutions and periodically maintains deposits in amounts that exceed Federal Deposit Insurance Corporation insurance coverage. Management believes the risk of incurring material losses related to this credit risk is remote.

Investments and Fair Value Measurements

The WARM Place and WARM Foundation follow Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) No. 958-320. Under this section, investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the combined statement of financial position. Unrealized gains and losses are included in the change in net assets reflected on the combined statement of activities.

**WHAT ABOUT REMEMBERING ME CENTER, INC.
(DBA: THE WARM PLACE) AND WARM FOUNDATION, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2022)**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and Fair Value Measurements (Continued)

FASB ASC No. 820-10, *Fair Value Measurement*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, and Level 3 inputs have the lowest priority. The WARM Place and WARM Foundation use appropriate valuation techniques based on the available inputs to measure the fair value of their investments. The three levels of fair value hierarchy defined by FASB ASC No. 820-10 are as follows:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities that the reporting entity can access at the measurement date. Active markets are those in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date. Level 2 includes those financial instruments that are valued using models or other valuation methodologies. These models are primarily industry-standard models that consider various assumptions, including quoted forward prices for commodities, time value, volatility factors, and current market and contractual prices for the underlying instruments, as well as other relevant economic measures. Substantially all of these assumptions are observable in the marketplace throughout the full term of the instrument, can be derived from observable data or are supported by observable levels at which transactions are executed in the marketplace.

Level 3 – Pricing inputs include significant inputs that are generally unobservable from objective sources. These are inputs for which market data are not available and that are developed using the best information available about the assumptions that market participants would use when pricing the asset or liability.

Property and Equipment

Expenditures for buildings and equipment having a cost of \$1,500 and a useful life of one year or more are capitalized and recorded on the books at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, The WARM Place and WARM Foundation report expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The WARM Place and WARM Foundation reclassifies net assets with donor restrictions to without donor restrictions at that time.

**WHAT ABOUT REMEMBERING ME CENTER, INC.
(DBA: THE WARM PLACE) AND WARM FOUNDATION, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2022)**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment (Continued)

Maintenance, repairs, and minor renewals are expensed as incurred. When assets are retired or otherwise disposed of, their cost and related accumulated depreciation are removed from the accounts. Resulting gains or losses are included in income.

Depreciation of buildings and equipment is computed on the straight-line basis over their estimated useful lives of 3 to 40 years.

Impairment of Long-Lived Assets

Management evaluates its long-lived assets for impairment whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable. An impairment loss is recognized when the estimated undiscounted future cash flows from the assets are less than the carrying value of the assets. Assets to be disposed of are reported at the lower of their carrying amount or fair value, less cost to sell.

Promises to Give

The WARM Place and WARM Foundation records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the combined statement of activities. The WARM Place uses the allowance method to determine uncollectible promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made. There was no allowance for uncollectible promises to give at December 31, 2023 and 2022.

Contributions

Contributions are recognized when received or a donor makes a pledge to give to The WARM Place and WARM Foundation that is, in substance, unconditional. Unconditional promises to give expected to be collected within one year, are recorded at estimated net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their net realizable value, using interest rates applicable to the years in which the promises are to be received and adjusted for the credit risk of the donor based on management assessment. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. There were no conditional promises to give as of December 31, 2023 and 2022. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions (primarily restrictions as to purpose and/or time) are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

**WHAT ABOUT REMEMBERING ME CENTER, INC.
(DBA: THE WARM PLACE) AND WARM FOUNDATION, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2022)**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions of Nonfinancial Assets

Donated goods are recognized as revenue at their estimated fair value during the period received. Donated services are recognized as revenue at their estimated fair value, if both of the following criteria are met: the services require special skills and the services are provided by individuals possessing those skills; and the services would typically need to be purchased, if not donated. Although the WARM Place and WARM Foundation may utilize the services of outside volunteers, the fair value of these services have not been recognized in the accompanying combined financial statements since they do not meet the criteria for recognition under U.S. GAAP.

Federal Income Tax

The WARM Place and WARM Foundation are organized as nonprofit organizations under Section 501(c)(3) of the Internal Revenue Code. This section exempts them from taxes on income. Accordingly, no provision for federal income taxes has been included in the combined financial statements. Taxes are paid on net income earned from sources unrelated to the exempt purposes. There was no net income from unrelated business for the year ended December 31, 2023.

The WARM Place and WARM Foundation account for uncertain tax positions in accordance with FASB ASC No. 740, *Income Taxes*. As of December 31, 2023, they have no liability for uncertain tax positions. The WARM Place and WARM Foundation's, Inc. tax returns are subject to review and examination by federal and state authorities.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of providing the programs and supporting service expenses have been summarized on a functional basis in the combined statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Leases

The WARM Place and WARM Foundation determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) assets – operating and lease liability – operating.

**WHAT ABOUT REMEMBERING ME CENTER, INC.
(DBA: THE WARM PLACE) AND WARM FOUNDATION, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2022)**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

ROU assets represent the WARM Place and WARM Foundation's right to use an underlying asset for the lease term and lease liabilities represent the WARM Place and WARM Foundation's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include option to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The WARM Place and WARM Foundation has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the statement of financial position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the WARM Place and WARM Foundation has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of all lease liabilities.

NOTE 3 LIQUIDITY AND AVAILABILITY

The WARM Place and WARM Foundation receives significant contributions and promises-to-give from donors and considers such contributions for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. General expenditures include administrative, program and fundraising expenses. Annual operations are defined as approved activities occurring during The Organization's year. Historically, contributions subject to donor-imposed restrictions have been immaterial with respect to total annual contributions.

It is the policy of The WARM Place and WARM Foundation to manage its liquidity and reserves by maintaining adequate liquid assets to fund near-term operating needs. Near-term is defined as a period of no more than 12 months.

The WARM Place and WARM Foundation will maintain current financial assets less near-term liabilities at a minimum of six months of operating expenses. The WARM Place and WARM Foundation will target a year-end balance of reserves of unrestricted, undesignated net assets to meet at least six months of expected general expenditures. To achieve these targets, The WARM Place and WARM Foundation (including the executive director and board treasurer, and others if needed) will monitor its future cash flows and cash on hand monthly and monitor its reserves at least annually. In the event the targets are not met, the finance committee of the board of directors and the executive director shall meet to develop plans to increase contributions and other revenues or reduce general expenditures, or both, in order to meet the targets.

**WHAT ABOUT REMEMBERING ME CENTER, INC.
(DBA: THE WARM PLACE) AND WARM FOUNDATION, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2022)**

NOTE 3 LIQUIDITY AND AVAILABILITY (CONTINUED)

At least annually, it will provide:

1. Qualitative information that communicates how The WARM Place and WARM Foundation manages its liquid resources available to meet cash needs for general expenditures for annual operations, and
2. Quantitative information, either on the face of the combined statement of financial position or in the notes to the combined statement of financial position, and additional qualitative information in the notes as necessary, that communicates the availability of the Organization's financial assets at the combined statement of financial position date to meet cash needs for general expenditures. Availability of a financial asset may be affected by (1) its nature, (2) external limits imposed by donors, grantors, laws, and contracts with others, and (3) internal limits imposed by governing board decisions.

Financial assets available within one year of the combined statement of financial position date for general expenditure are as follows:

	The WARM Place	WARM Foundation, Inc.	Combined Totals	
			2023	2022
Cash and Cash Equivalents	\$ 528,017	\$ 206,103	\$ 734,120	\$ 1,553,940
Investments	3,115,580	1,089,282	4,204,862	3,943,679
Employee Retention Credit Receivable	129,534	-	129,534	-
Accounts Receivable	1,191	-	1,191	-
Pledges Receivable	1,000	10,000	11,000	68,837
Related Party Receivable	-	-	-	1,579
Less: Amounts Restricted by				
Donors	(12,555)	-	(12,555)	(1,927,161)
Total	<u>\$ 3,762,767</u>	<u>\$ 1,305,385</u>	<u>\$ 5,068,152</u>	<u>\$ 3,640,874</u>

NOTE 4 PROPERTY AND EQUIPMENT

Major classes of property and equipment at December 31 are as follows:

	The WARM Place	WARM Foundation, Inc.	Combined Totals	
			2023	2022
Land	\$ -	\$ 244,390	\$ 244,390	\$ 244,390
Building	-	4,072,128	4,072,128	2,224,913
Leasehold Improvements	214,686	-	214,686	225,949
Furniture and Equipment	67,763	265,637	333,400	238,304
Construction in Progress	-	-	-	1,237,233
Total	<u>282,449</u>	<u>4,582,155</u>	<u>4,864,604</u>	<u>4,170,789</u>
Less: Accumulated Depreciation	<u>(177,964)</u>	<u>(1,224,504)</u>	<u>(1,402,468)</u>	<u>(1,462,717)</u>
Property and Equipment, Net	<u>\$ 104,485</u>	<u>\$ 3,357,651</u>	<u>\$ 3,462,136</u>	<u>\$ 2,708,072</u>

**WHAT ABOUT REMEMBERING ME CENTER, INC.
(DBA: THE WARM PLACE) AND WARM FOUNDATION, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2022)**

NOTE 5 INVESTMENTS

Investments at December 31 consist of the following:

	The WARM Place	WARM Foundation, Inc.	Combined Totals	
			2023	2022
Level 1 - Fair Value Measurements:				
Equity Mutual Funds	\$ 1,802,291	\$ 594,678	\$ 2,396,969	\$ 2,172,928
Fixed Income Mutual Funds	1,313,289	494,604	1,807,893	1,770,751
Total Investments	<u>\$ 3,115,580</u>	<u>\$ 1,089,282</u>	<u>\$ 4,204,862</u>	<u>\$ 3,943,679</u>

	Fair Value	Cost	Cumulative Unrealized Appreciation (Depreciation)
Equity Mutual Funds	\$ 2,396,969	\$ 1,787,569	\$ 609,400
Fixed Income Mutual Funds	1,807,893	2,011,259	(203,366)
Total Investments	<u>\$ 4,204,862</u>	<u>\$ 3,798,828</u>	<u>\$ 406,034</u>

FASB ASC No. 820-10, *Fair Value Measurements*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consists of other investments and Level 3 inputs have the lowest priority. The WARM Place and WARM Foundation uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments.

When available, The WARM Place and WARM Foundation measures fair value using Level 1 because they generally provide the most reliable evidence of fair value. Level 2 and Level 3 inputs are not used by The WARM Place or WARM Foundation.

NOTE 6 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions for the years ended December 31 are as follows:

	The WARM Place	WARM Foundation Inc.	Totals	
			2023	2022
Subject to Expenditure for Specified Purpose:				
Capital Campaign	\$ -	\$ -	\$ -	\$ 1,920,723
Race 2 Remember Them Event	5,775	-	5,775	5,838
Backyard Lighting	600	-	600	600
Phone System	6,180	-	6,180	-
Total	<u>\$ 12,555</u>	<u>\$ -</u>	<u>\$ 12,555</u>	<u>\$ 1,927,161</u>

**WHAT ABOUT REMEMBERING ME CENTER, INC.
(DBA: THE WARM PLACE) AND WARM FOUNDATION, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2022)**

NOTE 7 RETIREMENT PLAN

The WARM Place maintains a Simplified Employee Pension Plan for the benefit of its employees. In order to be eligible, employees must have performed services in three of the preceding five calendar years and must have attained 21 years of age. The plan does not permit employee contributions, and employer contributions are at the discretion of the board of directors. The employer contributions for December 31, 2023 and 2022 were 6% of eligible employees' salaries. Pension expense amounted to \$35,530 and \$33,256 for the years ended December 31, 2023 and 2022, respectively.

NOTE 8 CONTRIBUTIONS OF NONFINANCIAL ASSETS

As of December 31, 2023 and 2022, The WARM Place received a total of \$37,088 and \$40,166 in contributed goods and services, respectively. Donations of office, program, and kitchen supplies valued at \$29,187 and \$31,746 were recognized and are grouped in contributions of nonfinancial assets on the combined statement of activities for 2023 and 2022, respectively. In-kinds related to special events of \$7,901 and \$8,420 are included in special events income and expense and include various goods and services related to the special events for 2023 and 2022, respectively. All donated goods and services are used by the WARM Place, not monetized, and did not have donor-imposed restrictions associated with them. The WARM Place estimates the fair value of donated goods using retail prices of identical or similar products. In addition, the value of donated services is determined by using an established or actual, if available, hourly rate. The WARM Place recognizes in-kind contribution revenue and a corresponding expense in an amount approximating the estimated fair value at the time of the donation.

For the years ended December 31, contributed nonfinancial assets recognized within the combined statement of activities included:

	WARM		Combined Totals	
	The WARM Place	Foundation, Inc.	2023	2022
Goods:				
Subscriptions	\$ -	\$ -	\$ -	\$ 545
Supplies	6,880	-	6,880	2,601
Program Material	21,684	-	21,684	16,853
Public Relations	-	-	-	1,158
Postage	623	-	623	10
General	-	-	-	10,579
Special Events	7,901	-	7,901	8,420
Total	<u>\$ 37,088</u>	<u>\$ -</u>	<u>\$ 37,088</u>	<u>\$ 40,166</u>

NOTE 9 RELATED PARTY TRANSACTIONS

The WARM Place occupies a building owned by The WARM Foundation. Rent charged to The WARM Place by WARM Foundation was \$109,200 in both 2023 and 2022.

**WHAT ABOUT REMEMBERING ME CENTER, INC.
(DBA: THE WARM PLACE) AND WARM FOUNDATION, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2022)**

NOTE 9 RELATED PARTY TRANSACTIONS (CONTINUED)

The WARM Foundation made contributions to The WARM Place of \$109,200 for the years ended December 31, 2023 and 2022, to provide support for rent and occupancy costs incurred by The WARM Place. These amounts are reflected as “Contributions, Related Party” and “Rental Income, Related Party” in the combined statement of activities.

Beginning in 2021, The WARM Foundation reimbursed The WARM Place for a portion of the compensation paid to staff members who spent time working on the capital campaign. The agreed upon amount was \$3,500 per month totaling \$31,500 and \$42,000 during the years ended December 31, 2023 and 2022, respectively.

The WARM Place received \$86,571 and \$104,760 in contributions from board members for the years ended December 31, 2023 and 2022, respectively.

NOTE 10 FUNCTIONALIZED EXPENSE ALLOCATION METHODOLOGY

The WARM Place has one program which the majority of expenses ultimately support. The combined financial statements report certain categories of expenses that are attributed to more than one supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation, insurance, occupancy, employee benefits, payroll taxes, special event expenses, and salary expenses for the executive director, office manager, development associate, and event and PR manager. Depreciation is an overhead cost and follows the same allocation as administrative salaries, which is based on staff time and effort. Insurance expenses, occupancy expenses, employee benefits, and payroll taxes, and salary expenses are allocated based on management’s best estimate of staff time and effort and benefits received.

NOTE 11 GRANT REVENUE FROM COVID RELIEF ACTS

Certain funding programs from the government under certain Covid Relief Acts are recognized when all conditions of such programs are fulfilled or there is reasonable assurance that they will be fulfilled. The Organization determined it was eligible for Employee Retention Tax Credit (ERC) funding, which is a refundable tax credit against certain employment taxes. During the year ended December 31, 2023, the Organization determined it met the compliance requirements and conditions of the ERC program and filed for ERC credits totaling \$72,275 for the applicably eligible quarters in 2021 and \$57,259 for the applicably eligible quarters in 2020. These refundable credits are recorded to revenue during the year ended December 31, 2023. Grants related to the Employee Retention Tax Credit are classified as Grant Revenue from Covid Relief Acts in the combined statement of activities and Employee Retention Credit Receivable in the combined statement of financial position.

**WHAT ABOUT REMEMBERING ME CENTER, INC.
(DBA: THE WARM PLACE) AND WARM FOUNDATION, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2022)**

NOTE 11 GRANT REVENUE FROM COVID RELIEF ACTS (CONTINUED)

There is possibility that upon subsequent review, the Internal Revenue Service could reach a different conclusion regarding the Organization's eligibility. That could result in repayment of the credits, interest, and potential penalties. The amount of liability, if any, from the potential ineligibility cannot be determined with certainty. These refundable credits are subject to audit by the Internal Revenue Service for a period of five years.

NOTE 12 LEASES – ASC 842

The WARM Place leases computers under a long-term, noncancelable lease agreement. The lease expires in 2026. In the normal course of business, it is expected that this lease will be renewed or replaced by a similar lease.

The following table provides quantitative information concerning the WARM Place's lease at December 31, 2023:

Other Information:

Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	\$ 21,342
Weighted-Average Remaining Lease Term - Operating Leases	3.0 Years
Weighted-Average Discount Rate - Operating	4.01%

The WARM Place classifies the total undiscounted lease payments that are due in the next 12 months as current. A maturity analysis of annual undiscounted cash flows for lease liabilities as of December 31, 2023 is as follows:

<u>Year Ending December 31,</u>	Operating Leases
2024	\$ 7,562
2025	7,562
2026	7,562
Total Lease Payments	22,686
Less: Imputed Interest	(1,344)
Present Value of Lease Liabilities	<u>\$ 21,342</u>

NOTE 13 SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 2, 2024, the date the combined financial statements were available to be issued.