

**CHILDREN ARE PEOPLE, INC.
REVIEWED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
JUNE 30, 2022 AND 2021**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Children Are People, Inc.

Opinion

We have audited the accompanying financial statements of Children Are People, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Children Are People, Inc. as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Children Are People, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Children Are People's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Children Are People'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 Children Are People'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.

Prior Period Financial Statements

The June 30, 2021 financial statements were reviewed by us, and our report thereon, dated November 19, 2021 stated we were not aware of any material modifications that should be made to those financial statements for them to be in conformity with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements.

McMurray, Fox & Associates

McMurray, Fox & Associates, PLLC
Hendersonville, Tennessee
February 10, 2023

CHILDREN ARE PEOPLE, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 and 2021

| | <u>June 30, 2021</u> <u>(Audited)</u> | <u>June 30, 2021</u> <u>(Reviewed)</u> |
|---|--|---|
| ASSETS | | |
| Current assets | | |
| Cash, \$259,196 and \$10,344 restricted, respectively | \$ 615,629 | \$ 267,507 |
| Prepaid expenses | <u>7,897</u> | <u>10,011</u> |
| Total current assets | 623,526 | 277,518 |
| Fixed assets | | |
| Property and equipment | 1,481,202 | 176,402 |
| Less: accumulated depreciation | <u>(133,570)</u> | <u>(119,219)</u> |
| Net property and equipment | 1,347,632 | 57,183 |
| Total assets | <u><u>\$ 1,971,158</u></u> | <u><u>\$ 334,701</u></u> |
| LIABILITIES AND NET ASSETS | | |
| Current liabilities | | |
| Accounts payable | \$ 9,948 | \$ 5,752 |
| Accrued payroll liabilities | <u>4,626</u> | <u>4,259</u> |
| Total current liabilities | 14,574 | 10,011 |
| Total liabilities | 14,574 | 10,011 |
| Net assets | | |
| Net assets without donor restrictions | 1,697,388 | 314,346 |
| Net assets with donor restrictions | <u>259,196</u> | <u>10,344</u> |
| Total net assets | 1,956,584 | 324,690 |
| Total liabilities and net assets | <u><u>\$ 1,971,158</u></u> | <u><u>\$ 334,701</u></u> |

See independent auditor's report and notes to the financial statements

CHILDREN ARE PEOPLE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

| | <u>Net Assets Without Donor Restriction</u> | <u>Net Assets With Donor Restriction</u> | <u>Total</u> |
|---|---|--|---------------------|
| Support and revenue: | | | |
| Contributions | \$ 203,121 | \$ 10,150 | \$ 213,271 |
| Grants | 5,500 | - | 5,500 |
| Capital campaign | - | 343,500 | 343,500 |
| Fundraisers | 191,811 | - | 191,811 |
| Donated food and supplies | 13,500 | - | 13,500 |
| Donated rent | 12,000 | - | 12,000 |
| Donated facility, services & supplies | 1,214,890 | - | 1,214,890 |
| Miscellaneous income | 42 | - | 42 |
| Interest | 107 | 2 | 109 |
| Net assets released from donor restriction | 104,800 | (104,800) | - |
| Total support and revenue | <u>1,745,771</u> | <u>248,852</u> | <u>1,994,623</u> |
| Expenses | | | |
| Program services | <u>130,791</u> | <u>-</u> | <u>130,791</u> |
| Total program services | 130,791 | - | 130,791 |
| Supporting services | | | |
| Management and general | 167,849 | - | 167,849 |
| Fundraising activities | <u>64,089</u> | <u>-</u> | <u>64,089</u> |
| Total supporting services | 231,938 | - | 231,938 |
| Total expenses | <u>362,729</u> | <u>-</u> | <u>362,729</u> |
| Increase (decrease) in net assets | 1,383,042 | 248,852 | 1,631,894 |
| Net assets at beginning of year | <u>314,346</u> | <u>10,344</u> | <u>324,690</u> |
| Net assets at end of year | <u>\$ 1,697,388</u> | <u>\$ 259,196</u> | <u>\$ 1,956,584</u> |

See independent auditor's report and notes to the financial statements

CHILDREN ARE PEOPLE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021 (REVIEWED)

| | <u>Net Assets Without Donor Restriction</u> | <u>Net Assets With Donor Restriction</u> | <u>Total</u> |
|---------------------------------------|---|--|-------------------|
| Support and revenue: | | | |
| Contributions | \$ 197,671 | \$ 125 | \$ 197,796 |
| Fundraisers | 110,953 | - | 110,953 |
| Donated food and supplies | 13,950 | - | 13,950 |
| Donated rent | 12,000 | - | 12,000 |
| Donated facility, services & supplies | 4,840 | - | 4,840 |
| Miscellaneous income | 33,653 | - | 33,653 |
| Interest | 29 | 27 | 56 |
| Total support and revenue | <u>373,096</u> | <u>152</u> | <u>373,248</u> |
| Expenses | | | |
| Program services | <u>86,041</u> | <u>-</u> | <u>86,041</u> |
| Total program services | 86,041 | - | 86,041 |
| Supporting services | | | |
| Management and general | 118,074 | - | 118,074 |
| Fundraising activities | <u>43,031</u> | <u>-</u> | <u>43,031</u> |
| Total supporting services | 161,105 | - | 161,105 |
| Total expenses | <u>247,146</u> | <u>-</u> | <u>247,146</u> |
| Increase (decrease) in net assets | 125,950 | 152 | 126,102 |
| Net assets at beginning of year | <u>188,396</u> | <u>10,192</u> | <u>198,588</u> |
| Net assets at end of year | <u>\$ 314,346</u> | <u>\$ 10,344</u> | <u>\$ 324,690</u> |

See independent auditor's report and notes to the financial statements

CHILDREN ARE PEOPLE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

| | Program Services | Management and General | Fundraising | Total |
|------------------------------------|------------------|---------------------------|-------------|------------|
| Salaries & wages | \$ 83,738 | \$ 49,949 | \$ 13,222 | \$ 146,908 |
| Payroll taxes | 5,868 | 3,500 | 927 | 10,295 |
| Advertising expense | - | 6,681 | - | 6,681 |
| Bank and credit card fees | 2,559 | 344 | - | 2,903 |
| Contract services | - | 6,681 | - | 6,681 |
| Dues and subscriptions | - | 715 | - | 715 |
| Facilities and equipment | - | 1,875 | - | 1,875 |
| Fundraising expenses | - | - | 49,941 | 49,941 |
| Insurance | - | 22,462 | - | 22,462 |
| Meals for students | 16,625 | - | - | 16,625 |
| Miscellaneous expense | 516 | 3,404 | - | 3,920 |
| Office expense | - | 9,954 | - | 9,954 |
| Other program expenses | 518 | - | - | 518 |
| Payroll processing fees | 862 | 650 | - | 1,512 |
| Postage | - | 669 | - | 669 |
| Professional fees | - | 26,032 | - | 26,032 |
| Rent expense - real property | 10,000 | 2,000 | - | 12,000 |
| Repairs & maintenance | 5,024 | 674 | - | 5,698 |
| Staff Development and Training | - | 1,000 | - | 1,000 |
| Student rewards | 250 | - | - | 250 |
| Supplies | 165 | 5,638 | - | 5,803 |
| Telephone & internet | - | 1,384 | - | 1,384 |
| Transportation | 4,665 | - | - | 4,665 |
| Utilities | - | 3,906 | - | 3,906 |
| Website | - | 5,981 | - | 5,981 |
| Total expenses before depreciation | 130,791 | 153,498 | 64,089 | 348,378 |
| Depreciation | - | 14,351 | - | 14,351 |
| Total expenses | \$ 130,791 | \$ 167,849 | \$ 64,089 | \$ 362,729 |

See independent auditor's report and notes to the financial statements

CHILDREN ARE PEOPLE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021 (REVIEWED)

| | Program Services | Management and General | Fundraising | Total |
|------------------------------------|------------------|---------------------------|-------------|------------|
| Salaries & wages | \$ 53,901 | \$ 32,151 | \$ 8,511 | \$ 94,563 |
| Payroll taxes | 3,973 | 2,370 | 627 | 6,970 |
| Bank and credit card fees | 889 | 704 | - | 1,593 |
| Contract services | - | 2,531 | - | 2,531 |
| Dues and subscriptions | - | 540 | - | 540 |
| Facilities and equipment | - | 3,798 | - | 3,798 |
| Fundraising expenses | - | - | 33,893 | 33,893 |
| Insurance | - | 12,694 | - | 12,694 |
| Meals for students | 7,752 | - | - | 7,752 |
| Miscellaneous expense | 2,254 | 1,773 | - | 4,027 |
| Office expense | - | 4,086 | - | 4,086 |
| Payroll processing fees | 160 | 120 | - | 280 |
| Postage | - | 421 | - | 421 |
| Professional fees | - | 23,635 | - | 23,635 |
| Rent expense - real property | 10,000 | 2,000 | - | 12,000 |
| Repairs & maintenance | 4,231 | 600 | - | 4,831 |
| Student rewards | 140 | - | - | 140 |
| Supplies | 807 | 13,628 | - | 14,435 |
| Telephone & internet | 45 | 542 | - | 587 |
| Transportation | 1,889 | - | - | 1,889 |
| Website | - | 1,154 | - | 1,154 |
| Total expenses before depreciation | 86,041 | 102,747 | 43,031 | 231,819 |
| Depreciation | - | 15,327 | - | 15,327 |
| Total expenses | \$ 86,041 | \$ 118,074 | \$ 43,031 | \$ 247,146 |

See independent auditor's report and notes to the financial statements

CHILDREN ARE PEOPLE, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

| | <u>June 30, 2022</u> <u>(Audited)</u> | <u>June 30, 2021</u> <u>(Reviewed)</u> |
|--|--|---|
| Cash flows from operating activities | | |
| Increase (decrease) in net assets | \$ 1,631,894 | \$ 126,103 |
| Adjustments to reconcile increase in net assets to cash provided by (used in) operating activities: | | |
| Depreciation | 14,351 | 15,327 |
| In-kind donation of assets | (1,200,000) | - |
| Forgiveness of PPP loan | - | (33,497) |
| (Increase)/decrease in prepaid expenses | 2,114 | (182) |
| Increase/(decrease) in accounts payable | 4,195 | 3,124 |
| Increase/(decrease) in accrued liabilities | 367 | 1,090 |
| Total adjustments | <u>(1,178,973)</u> | <u>(14,138)</u> |
| Net cash provided by (used in) operating activities | <u>452,921</u> | <u>111,965</u> |
| Cash flows from investing activities: | | |
| Purchase of fixed assets | <u>(104,800)</u> | <u>-</u> |
| Net cash used in investing activities | <u>(104,800)</u> | <u>-</u> |
| Net increase (decrease) in cash | 348,121 | 111,965 |
| Cash at beginning of year | <u>267,508</u> | <u>155,543</u> |
| Cash at end of year | <u>\$ 615,629</u> | <u>\$ 267,508</u> |

See independent auditor's report and notes to the financial statements.

CHILDREN ARE PEOPLE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 (AUDITED) AND 2021 (REVIEWED)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Activities

Children Are People, Inc. ("CAP") is a nonprofit corporation governed by a local board of directors. The mission of CAP is to assist at-risk children in Sumner County by developing in them academic and life skills to produce responsible, self-sufficient adults who contribute to their community. CAP is supported through grants and contributions primarily from donors in the Middle Tennessee area.

B. Basis of Accounting

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

C. Basis of Presentation

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

Net assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of CAP and/or the passage of time. Restrictions that are fulfilled in the same accounting period in which the funds are received are reported in the statement of activities as net assets without donor restrictions. As of June 30, 2022 and 2021 CAP has \$259,196 and \$10,344 of net assets with donor restrictions for scholarships and capital campaign funds for a new location.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions of cash or other assets that must be used to acquire property and equipment are reported as increases in net assets with donor restrictions until the assets are acquired and placed in service as instructed by the donor. Amounts received that are designated for future periods or restricted by the donor for a specific purpose are reported as net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions.

See independent accountant's review report.

CHILDREN ARE PEOPLE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 (AUDITED) AND 2021 (REVIEWED)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

E. Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments. CAP had no cash equivalents as of June 30, 2022 and 2021.

F. Property and Equipment

Property and equipment are recorded at cost or, if donated, at the estimated fair market value at the date of donation. Depreciation is computed using the straight-line method over the useful lives of the assets which range from five to ten years.

CAP's capitalization policy requires individual assets to be capitalized if the cost or fair market value exceeds \$1,000. Repair and maintenance costs are expensed as incurred.

G. Revenue Recognition

Contributions are recognized when received. In-kind contributions are recorded based on their estimated value on the date of the receipt. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. All donor-related restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified as net assets without donor restrictions. Any donor restricted contributions that are expended in the same fiscal year, are noted as unrestricted in the financial statements.

H. Functional Expenses

The cost of providing program, administration and fund-raising activities has been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated amount the programs and supporting services benefited. The allocation is based on actual costs and time expended.

See independent accountant's review report.

CHILDREN ARE PEOPLE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 (AUDITED) AND 2021 (REVIEWED)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Advertising Costs

Advertising costs are expensed as incurred. Advertising expenses for the years ended June 30, 2022 and 2021 were \$6,681 and \$0, respectively.

J. Income Taxes

CAP is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made.

K. Reclassifications

Certain reclassifications have been made to prior year information to conform to current year presentation.

L. Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board ("FASB") issued ASU 2016-02, Leases, the provides new guidance related to the accounting for leases, which requires lessees to record assets and liabilities reflecting the leased assets and lease obligations, respectively, while following the dual model for recognition in the statement of income requiring leases to be classified as either operating or finance. Operating leases will result in straight-line expense (similar to current operating leases) while finance leases will result in a frontloaded expense (similar to current capital leases). The new standard is effective for the fiscal year beginning July 1, 2022 and requires retrospective application to previously issued annual financial statements. CAP is reviewing the new standard to determine the impact to the financial statements, if any.

From time to time, new accounting pronouncements are issued by the FASB or other standards setting bodies that CAP adopts as of the specified effective date. Unless otherwise discussed, management believes the impact of any other recently issued standards that are not yet effective are either not applicable at this time or will not have a material impact on the balance sheet upon adoption.

See independent accountant's review report.

CHILDREN ARE PEOPLE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 (AUDITED) AND 2021 (REVIEWED)

NOTE 2 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of:

| | <u>June 30, 2022</u> | <u>June 30, 2021</u> |
|--------------------------------------|----------------------------|-------------------------|
| Furniture & equipment | \$ 30,731 | \$ 30,731 |
| Leasehold improvements | 18,952 | 18,952 |
| Vehicles | 126,719 | 126,719 |
| Land and property not yet in service | <u>1,304,800</u> | <u>-</u> |
| Total property & equipment | 1,481,202 | 176,402 |
| Less: Accumulated depreciation | <u>(133,570)</u> | <u>(119,219)</u> |
| Property & equipment, net | <u><u>\$ 1,347,632</u></u> | <u><u>\$ 57,183</u></u> |

Depreciation expense of \$14,351 and \$15,327 was incurred for the years ended June 30, 2022 and 2021, respectively.

NOTE 3 – NOTE PAYABLE – PPP FUNDS

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus (the “COVID-19 outbreak”) and risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic based on the rapid increase in exposure globally. This prompted President Trump to sign the “Coronavirus Aid, Relief, and Economic Security (CARES) Act” on March 27, 2020. The CARES Act, among other things, includes provisions relating to refundable payroll, tax credits, deferment of employer’s portion of social security payments, net operating loss carry back periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions, and technical corrections to tax depreciation methods for qualified improvement property. The CARES Act also appropriated funds for the SBA Paycheck Protection Program loans that are forgivable in certain situations to promote continued employment, as well as Economic Injury Disaster Loans to provide liquidity to small businesses harmed by COVID-19. On April 14, 2020 CAP’s board approved a \$33,497 request of funds that was approved and deposited into CAP’s account on April 20, 2020. Management has elected to account for this inflow of cash as a loan accruing interest at 1% per annum. The loan has a maturity date of April 20, 2022. This SBA loan is eligible for forgiveness once certain conditions have been met and the forgiveness

See independent accountant’s review report.

CHILDREN ARE PEOPLE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 (AUDITED) AND 2021 (REVIEWED)

NOTE 3 – NOTE PAYABLE – PPP FUNDS (CONTINUED)

application is submitted. During fiscal year ended June 30, 2021, the forgiveness was approved and the loan was reclassified to miscellaneous income.

NOTE 4 – CONCENTRATIONS

CAP relies on contributions, grants, special events and in-kind support to fund operations. For the year ended June 30, 2022, contributions of \$1,200,000 in property for one donor and 40% of cash contributions were from two donors and for the year ended June 30, 2021, there were no concentrations.

NOTE 5 – LIQUIDITY

Financial assets available for general expenditure, that is without donor restrictions a, within one year of the date of the statement of financial position, is \$356,435 which is comprised of total cash of \$615,629 reduced by restricted cash of \$259,194. CAP is substantially supported by grants and individual contributions which are primarily without donor restrictions and are available for general expenditure.

NOTE 6 – CONTRIBUTED SERVICES, FACILITIES AND SUPPLIES

CAP recognizes contribution revenue for certain services, facilities and supplies received at the fair value at the time of donation. Those in-kind contributions and related expenses include the following:

| In-kind contributions: | <u>June 30, 2022</u> | <u>June 30, 2021</u> |
|-----------------------------|----------------------|----------------------|
| | \$ 1,200,000 | \$ - |
| Sponsors | 14,890 | 4,840 |
| Facility rent | 12,000 | 12,000 |
| Food | 9,050 | 3,150 |
| Supplies | <u>4,450</u> | <u>10,800</u> |
| Total in-kind contributions | <u>\$ 1,240,390</u> | <u>\$ 30,790</u> |

See independent accountant's review report.

CHILDREN ARE PEOPLE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 (AUDITED) AND 2021 (REVIEWED)

NOTE 7 – CONTRIBUTED SERVICES, FACILITIES AND SUPPLIES (CONTINUED)

| Expenses: | <u>June 30, 2022</u> | <u>June 30, 2021</u> |
|-------------------|----------------------|----------------------|
| Rent expense | \$ 12,000 | \$ 12,000 |
| Food | 9,050 | 3,150 |
| Supplies | 4,450 | 10,800 |
| Contract services | <u>14,890</u> | <u>4,840</u> |
| Total expenses | <u>\$ 40,390</u> | <u>\$ 30,790</u> |

NOTE 8 – SUBSEQUENT EVENTS

CAP has evaluated events and transactions for subsequent events that would impact the financial statements for the year ended June 30, 2022 through February 10, 2023, the date the financial statements were available to be issued. There were no subsequent events that require recognition in the financial statements.

See independent accountant's review report.