

**CARE ASSURANCE SYSTEM
FOR THE AGING AND HOMEBOUND
OF MADISON COUNTY, INC.**

D/B/A ENABLE MADISON COUNTY

AUDITED FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Care Assurance System for the Aging
and Homebound of Madison County, Inc.
d/b/a Enable Madison County
Huntsville, Alabama

Opinion

We have audited the accompanying financial statements of Care Assurance System for the Aging and Homebound of Madison County, Inc. d/b/a Enable Madison County (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Care Assurance System for the Aging and Homebound of Madison County, Inc. as of June 30, 2024 and 2023, 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. 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 Assurance System for the Aging and Homebound of Madison County, 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 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 Care Assurance System for the Aging and Homebound of Madison County, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Mercer & Associates, PC

Huntsville, Alabama
September 25, 2024

**CARE ASSURANCE SYSTEM FOR THE AGING AND
HOMEBOUND OF MADISON COUNTY, INC.
D/B/A ENABLE MADISON COUNTY
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 303,921	\$ 58,913
Grant receivable	5,000	2,500
Other receivable	63,577	219,931
Investments	265,260	153,438
Prepaid expenses	21,433	12,164
Total Current Assets	<u>659,191</u>	<u>446,946</u>
Property and Equipment		
Furniture, fixtures and equipment	111,187	111,187
Warehouse	202,219	0
Less accumulated depreciation	<u>(106,598)</u>	<u>(101,039)</u>
Total Property and Equipment	<u>206,808</u>	<u>10,148</u>
Other Assets		
Deposits	<u>300</u>	<u>300</u>
TOTAL ASSETS	<u><u>\$ 866,299</u></u>	<u><u>\$ 457,394</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 21,089	\$ 48,439
Payroll taxes payable	1,528	2,062
Accrued retirement	4,671	2,961
Accrued compensated absences	<u>7,077</u>	<u>4,901</u>
Total Current Liabilities	<u>34,365</u>	<u>58,363</u>
Net Assets		
Without donor restrictions	<u>831,934</u>	<u>399,031</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 866,299</u></u>	<u><u>\$ 457,394</u></u>

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

**CARE ASSURANCE SYSTEM FOR THE AGING AND
HOMEBOUND OF MADISON COUNTY, INC.
D/B/A ENABLE MADISON COUNTY
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
Public Support		
Contributions	\$ 547,940	\$ 126,527
Grants	284,070	235,471
United Way and CFC	98,153	99,166
Special events, net of expenses	<u>211,832</u>	<u>165,291</u>
Total Public Support	<u>1,141,995</u>	<u>626,455</u>
Functional Expenses		
Program services	625,552	705,912
Management and general	79,120	71,800
Fundraising	<u>35,041</u>	<u>29,534</u>
Total Functional Expenses	<u>739,713</u>	<u>807,246</u>
Other Income (Expense)		
Employee retention credit	0	219,931
Interest and dividend income	13,528	5,286
Realized gain (loss) on investments	1,625	(2,311)
Unrealized gain (loss) on investments	<u>15,468</u>	<u>1,237</u>
Total Other Income (Expense)	<u>30,621</u>	<u>224,143</u>
Change in Net Assets without Donor Restrictions	432,903	43,352
Net Assets, Beginning	<u>399,031</u>	<u>355,679</u>
Net Assets, Ending	<u><u>\$ 831,934</u></u>	<u><u>\$ 399,031</u></u>

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

**CARE ASSURANCE SYSTEM FOR THE AGING AND
HOMEBOUND OF MADISON COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024**

	Program Services	General and Administrative	Fundraising	Total
Salaries	\$368,497	\$43,289	\$26,347	\$438,133
Specific assistance	132,981	0	0	132,981
Investment expenses	2,260	0	0	2,260
Supplies	1,967	75	48	2,090
Health insurance	11,245	1,188	157	12,590
Rent	17,246	2,413	747	20,406
Payroll taxes	27,202	4,115	1,801	33,118
Insurance	9,713	3,054	422	13,189
Depreciation	5,559	0	0	5,559
Simplified employee pension	13,101	1,214	348	14,663
Telephone	7,121	468	250	7,839
Printing and publications	1,687	2,502	1,199	5,388
Volunteer recognition	2,378	3,432	0	5,810
Mileage	1,341	262	155	1,758
Conferences	424	57	22	503
Postage and shipping	1,898	391	114	2,403
Professional fees	4,216	4,618	1,981	10,815
Worker's compensation	3,203	495	212	3,910
Equipment maintenance	5,716	454	187	6,357
Membership dues	3,631	429	184	4,244
Bank fees	1,092	142	60	1,294
Software	2,812	10,522	807	14,141
Computer equipment	262	0	0	262
TOTAL FUNCTIONAL EXPENSES	\$625,552	\$79,120	\$35,041	\$739,713

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

**CARE ASSURANCE SYSTEM FOR THE AGING AND
HOMEBOUND OF MADISON COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023**

	Program Services	General and Administrative	Fundraising	Total
Salaries	\$402,322	\$43,235	\$23,479	\$469,036
Specific assistance	135,106	0	0	135,106
Investment expenses	1,950	0	0	1,950
Supplies	2,351	0	127	2,478
Health insurance	9,669	3,123	1,043	13,835
Rent	18,067	1,677	662	20,406
Payroll taxes	31,545	3,731	1,753	37,029
Insurance	9,919	3,419	294	13,632
Depreciation	4,893	0	0	4,893
Simplified employee pension	9,883	0	0	9,883
Telephone	6,465	866	228	7,559
Printing and publications	3,226	2,046	67	5,339
Volunteer recognition	443	281	0	724
Mileage	2,511	178	256	2,945
Conferences	646	98	37	781
Postage and shipping	2,552	235	106	2,893
Professional fees	55,192	2,098	1,016	58,306
Worker's compensation	1,863	277	105	2,245
Equipment maintenance	3,192	394	159	3,745
Membership dues	2,803	397	151	3,351
Bank fees	969	135	51	1,155
Software	0	9,367	0	9,367
Computer equipment	345	243	0	588
TOTAL FUNCTIONAL EXPENSES	\$705,912	\$71,800	\$29,534	\$807,246

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

**CARE ASSURANCE SYSTEM FOR THE AGING AND
HOMEBOUND OF MADISON COUNTY, INC.
D/B/A ENABLE MADISON COUNTY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
Reconciliation of Net Income to Net Cash Provided (Used) by Operating Activities		
Increase (Decrease) in net assets	\$ 432,903	\$ 43,352
Adjustment to reconcile net income to net cash provided (used) by operating activities:		
Depreciation	5,559	4,893
Unrealized loss (gain) on investments	(15,468)	(1,237)
Realized loss (gain) on investments	(1,625)	2,311
Investment income	(7,242)	(5,272)
Decrease (increase) in:		
Grants receivable	(2,500)	25,104
Other receivable	156,354	(219,931)
Prepaid insurance	(9,269)	(8,986)
(Decrease) increase in:		
Accounts payable	(27,350)	30,728
Payroll taxes payable	(534)	568
Accrued expenses	2,176	1,262
Accrued salaries	0	(15,660)
Accrued retirement	1,710	636
Net cash provided by (used by) operating activities	<u>534,714</u>	<u>(142,232)</u>
Investing Activities		
Proceeds from sale of investments	6,946	184,326
Purchases of investments	(94,433)	(236,568)
Purchases of property and equipment	<u>(202,219)</u>	<u>0</u>
Net cash provided by (used by) investing activities	<u>(289,706)</u>	<u>(52,242)</u>
Net increase (decrease) in cash and cash equivalents	245,008	(194,474)
Cash and cash equivalents at beginning of year	<u>58,913</u>	<u>253,387</u>
Cash and cash equivalents at end of year	\$ <u><u>303,921</u></u>	\$ <u><u>58,913</u></u>
SUPPLEMENTAL DISCLOSURE		
Cash paid for interest during the year	\$ <u><u>0</u></u>	\$ <u><u>0</u></u>

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

**CARE ASSURANCE SYSTEM FOR THE AGING
AND HOMEBOUND OF MADISON COUNTY, INC.
D/B/A ENABLE MADISON COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Care Assurance System for the Aging and Homebound of Madison County, Inc. d/b/a Enable Madison County (Enable) was organized April 27, 1982, for the purpose of providing a ministry to the homebound in Madison County, Alabama. The specific purposes are as follows: (1) to ensure that necessary information and services are provided to homebound persons on a non-discriminatory basis without regard to religion, creed, color, sex, age, or national origin so that homebound persons are able to remain in a home environment rather than to accept prematurely the alternative of hospitals or nursing homes, and (2) to coordinate and/or accomplish the necessary services for the homebound persons through the private rather than the public sector of our economy to the maximum extent practical.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. Under the provisions of the Financial Accounting Standards Board (FASB) and the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"), net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Accounting standards require that investments in equity securities with readily determinable fair values and all investments in debt securities be measured at fair value in the statement of financial position. In addition, gains and losses on investments should be reported in the statement of activities as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law.

Investments

Investments in marketable securities with readily determinable fair values are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income is reported as an increase in net assets without donor restrictions in the reporting period in which the income is recognized. The investments are in mutual funds.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Income Tax Status

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal or state income taxes in the accompanying financial statements. Management is not aware of any activities that would jeopardize the Organization's tax exempt status. The Organization is not aware of any tax positions it has taken that are subject to a significant degree of uncertainty. Tax years after June 30, 2020 remain subject to examination by taxing authorities.

Cash and cash equivalents

For the purposes of the statements of cash flows, Enable considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Property and Equipment

Equipment is stated at cost or, if donated, at the fair market value on the date the equipment is contributed. Depreciation is provided using the straight line method over the estimated useful lives of the assets. Equipment is depreciated over a period of five to seven years. When assets are retired, the assets and related accumulated depreciation are removed from the respective accounts and any profit or loss due to the disposition is credited or charged to income. Gifts of long-lived assets are reported as support without donor restrictions unless subject to donor stipulations.

The cost of maintenance and repairs is charged to income as incurred; significant renewals and betterments are capitalized. Additions, improvements, and expenditures for repairs and maintenance that significantly add to the productivity or extend the useful life of the assets are capitalized. Other expenses for repairs and maintenance are charged to operations when incurred.

Leases

Enable determines if a contractual arrangement is or contains a lease at inception. Leases are classified as either an Operating Lease or a Finance Lease. The classification affects how rent expense is recognized. Regardless of the classification, both types of leases are included in right-of-use assets and lease liabilities on the Statement of Financial Position. Right-of-use assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term. For leases classified as an Operating Lease, lease payments are recognized as rent expense on a straight-line basis over the lease term. For leases classified as a Finance Lease, lease payments are recognized as a reduction in the lease liability and interest expense. Enable does not report right-of-use assets and lease liabilities for short-term leases (leases with a term of 12 months or less and month-to-month leases). The lease payments for short-term leases are reported as rent expense. Enable has made an accounting policy election to use a risk-free rate in lieu of the incremental borrowing rate to discount future lease payments.

Grants Receivable

The Organization has not recorded an allowance for doubtful accounts, as any grants receivable are deemed collectible.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Revenue Recognition

The Financial Accounting Standards Board (FASB) issued a standard on revenue from contracts with customers, which clarifies the principles for recognizing revenue. The Organization's revenue primarily consists of grants and contributions, which are not considered contracts with customers. As such, this revenue recognition guidance had no impact on the Organization's revenue, support, or net assets.

Contributions received are recorded as support without donor restrictions and support with donor restrictions, depending on the existence and/or nature of any donor restrictions. All donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction.

Contributed Services and Facilities

As a not-for-profit organization, the Organization is able to provide its services to the community in large part due to the dedicated support of its many volunteers. Only specialized services provided to the Organization are reflected in the financial statements. No support, revenue, or expense is recognized from services contributed by other volunteers since no objective basis is available to measure the value of such services.

Enable also receives substantial donations of equipment and materials. The value of these non-cash contributions is reflected in the financial statements if they are susceptible to objective measurement or valuation at the date of receipt. Non-cash contributions with no clearly measurable basis of determining their value are not recorded.

Functional Allocation of Expenses

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

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and Benefits	Time and Effort
Supplies, Telephone, Mileage, Maintenance	Time and Effort
Rent, Conferences, Postage, Specific Assistance, Printing	Direct Expense
Depreciation, Insurance, Dues, Special Events	Direct Expense
Computer Equipment, Software, Interest Expense, Bank Fees	Direct Expense
All Other	Time and Effort

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles of the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. The significant estimates used to determine the amounts in the financial statements are estimated useful lives of equipment and uncollectible receivables.

Advertising

Advertising costs, if any, are expensed as incurred.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE 2 – SIMPLIFIED EMPLOYEE PENSION

Enable has a Simplified Employee Pension Plan (SEP). Enable funded a minimum of 4% of each eligible employee's salary for the years ended June 30, 2024 and 2023. The cost to Enable was \$14,663 and \$9,883, respectively.

NOTE 3 - LIQUIDITY

The Organization's financial assets available within one year of the balance sheet date for general expenditure are as follows:

	2024	2023
Cash and cash equivalents	\$ 303,921	\$ 58,913
Grant receivable	5,000	2,500
Other receivable	63,577	219,931
Investments	265,260	153,438
Prepaid expenses	21,433	12,164
	<u>\$ 659,191</u>	<u>\$ 446,946</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 4 – LEASES

FASB ASC 842 requires lessees to determine if leases are classified as Operating Leases or Finance Leases. Regardless of classification, lessees must recognize an intangible right-of-use asset and lease liability. The right-of-use asset represents an organization's right to use the underlying asset for the lease term, and the lease liability represents an organization's obligation to make lease payments arising from the lease. Right-of-use assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term. The right-of-use assets are amortized over the lease term. For leases classified as an Operating Lease, lease payments are recognized as rent expense on a straight-line basis over the lease term. For leases classified as a Finance Lease, lease payments are recognized as a reduction in the lease liability and interest expense.

Enable does not report right-of-use assets and lease liabilities for short-term leases (leases with a term of 12 months or less and month-to-month leases). The lease payments for short-term leases are reported as rent expense. Enable has a month-to-month lease for the office space at \$1,701 per month. Enable had a month-to-month lease for warehouse space at \$500 per month during the year ended June 30, 2023.

Rent expense for office space was \$20,406 for the years ended June 30, 2024 and 2023. Rent expense for the warehouse is included as Specific Assistance because the purpose of the space is for storing ramp supplies. Expense from warehouse rent was \$6,000 for the year ended June 30, 2023. During FY2024, Enable purchased the warehouse.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE 5 – FURNITURE, FIXTURES AND EQUIPMENT

A summary of changes in capital assets for the year ended June 30, 2024, is as follows:

	Beginning	Additions	Disposals	Ending
Office equipment and furnishings	\$60,101	\$0	\$0	\$60,101
Pavilion	20,187	0	0	20,187
Forklift	9,440	0	0	9,440
Garden equipment	15,024	0	0	15,024
Warehouse	0	202,219	0	202,219
Donated equipment	6,435	0	0	6,435
Accumulated Depreciation	(101,039)	(5,559)	0	(106,598)
	<u>\$10,148</u>	<u>\$196,660</u>	<u>\$0</u>	<u>\$206,808</u>

A summary of changes in capital assets for the year ended June 30, 2023, is as follows:

	Beginning	Additions	Disposals	Ending
Office equipment and furnishings	\$60,101	\$0	\$0	\$60,101
Pavilion	20,187	0	0	20,187
Forklift	9,440	0	0	9,440
Garden equipment	15,024	0	0	15,024
Donated equipment	6,435	0	0	6,435
Accumulated Depreciation	(96,146)	(4,893)	0	(101,039)
	<u>\$15,041</u>	<u>(\$4,893)</u>	<u>\$0</u>	<u>\$10,148</u>

NOTE 6 – SPECIAL EVENTS

The Organization coordinated several special events during FY2024. The revenues and direct expenses related to these events are netted on the financial statements and are detailed as follows:

	Revenue	Expense	Net Income
Night for Enable	\$97,744	\$19,608	\$78,136
Aim to Enable	23,705	9,424	14,281
Other Events	128,099	8,684	119,415
Total Special Events	<u>\$249,548</u>	<u>\$37,716</u>	<u>\$211,832</u>

The Organization coordinated several special events during FY2023. The revenues and direct expenses related to these events are netted on the financial statements and are detailed as follows:

	Revenue	Expense	Net Income
Night for Enable	\$113,812	\$20,816	\$92,996
Aim to Enable	26,945	8,446	18,499
Other Events	55,642	1,846	53,796
Total Special Events	<u>\$196,399</u>	<u>\$31,108</u>	<u>\$165,291</u>

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE 7 – FAIR VALUE MEASUREMENTS

Generally accepted accounting principles define fair value, establish a framework for measuring fair value, and establish a fair value hierarchy that prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement dates. A fair value measurement assumes that the transaction to see the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach are used to measure value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value in three broad levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities and has the ability to access.
- Level 2 inputs are inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly or indirectly.
- Level 3 are unobservable inputs for the asset or liability and rely on management’s own assumptions about the assumptions that market participants would use in pricing the asset or liability. (The unobservable inputs should be developed based on the best information available in the circumstances and may include the Organization’s own data.)

The following table presents Enable’s fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of June 30, 2024.

	Level 1	Level 2	Level 3	Total
Investment	\$ 265,260	\$ 0	\$ 0	\$ 265,260
Interest Receivable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Totals	\$ <u>265,260</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>265,260</u>

The following table presents Enable’s fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of June 30, 2023.

	Level 1	Level 2	Level 3	Total
Investment	\$ 153,438	\$ 0	\$ 0	\$ 153,438
Interest Receivable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Totals	\$ <u>153,438</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>153,438</u>

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE 8 – CONCENTRATION OF CREDIT RISK

The Federal Deposit Insurance Corporation (FDIC) provides insurance coverage up to \$250,000 for accounts held by each bank. Enable's cash balances were over the FDIC coverage by \$48,194 at June 30, 2024 and \$0 at June 30, 2023.

NOTE 9 – CHANGE IN ACCOUNTING PRINCIPLE

Statement on Auditing Standards (SAS) No. 142 takes effect for audits of financial statements for periods ending on or after December 15, 2022. SAS No. 142 explains what constitutes audit evidence in an audit of financial statements and sets out attributes of information that are taken into account by the auditor when evaluating information to be used as audit evidence. The adoption of SAS 142 had no effect on net assets or the change in net assets.

Statement on Auditing Standards (SAS) No. 143 takes effect for audits of financial statements for periods ending on or after December 15, 2023. SAS No. 143 helps auditors to appropriately address increasingly complex scenarios that arise from new accounting standards that include estimates. The adoption of SAS 143 had no effect on net assets or the change in net assets.

Statement on Auditing Standards (SAS) No. 145 takes effect for audits of financial statements for periods ending on or after December 15, 2023. SAS No. 145 does not fundamentally change the key concepts underpinning audit risk. Rather, it clarifies and enhances certain aspects of the identification and assessment of the risks of material misstatement to drive better risk assessments and, therefore, enhance audit quality. The adoption of SAS 145 had no effect on net assets or the change in net assets.

NOTE 10 – EMPLOYEE RETENTION CREDIT

The CARES Act provides an Employee Retention Credit (ERC), which is a refundable tax credit against certain employment taxes. During the year ended June 30, 2023, Enable recorded \$219,931 as income, including interest income, related to the ERC. During FY2024 and FY2023, Enable received \$162,596 and \$0. As of June 30, 2024 and 2023, \$63,577 and \$219,931 are reported as Other Receivables related to the ERC.

Laws and regulations concerning government programs, including the Employee Retention Credit established by the CARES Act, are complex and subject to varying interpretations. Claims made under the CARES Act may also be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge Enable's claim to the ERC, and it is not possible to determine the impact (if any) this would have upon Enable.

NOTE 11 – SUBSEQUENT EVENTS

The date through which subsequent events have been evaluated is September 25, 2024. The financial statements were available to be issued at that time.