

MILITARY SPOUSE CORPORATE CAREER NETWORK, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

MILITARY SPOUSE CORPORATE CAREER NETWORK, INC.

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INDEPENDENT AUDITORS' REPORT

To the Members of
Military Spouse Corporate Career Network, Inc.

Opinion

We have audited the financial statements of Military Spouse Corporate Career Network, Inc., which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Military Spouse Corporate Career Network, Inc. as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Military Spouse Corporate Career Network, 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 Military Spouse Corporate Career Network, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 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 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 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 Military Spouse Corporate Career Network, 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 Military Spouse Corporate Career Network, 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.

Marcum LLP

Deerfield, IL
December 19, 2023

MILITARY SPOUSE CORPORATE CAREER NETWORK, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2022 AND 2021

	2022	2021
Assets		
Current Assets		
Cash	\$ 643,529	\$ 288,229
Certificates of deposit - short-term	245,666	336,474
Investments	<u>19,556</u>	<u>--</u>
Total Current Assets	<u>908,751</u>	<u>624,703</u>
Other Assets		
Certificates of deposit - long-term	<u>553,224</u>	<u>527,304</u>
Total Assets	<u>\$ 1,461,975</u>	<u>\$ 1,152,007</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 13,759	\$ 5,750
Accrued expenses	<u>4,505</u>	<u>1,538</u>
Total Liabilities	<u>18,264</u>	<u>7,288</u>
Net Assets		
Net assets without donor restrictions	1,205,753	1,074,519
Net assets with donor restrictions	<u>237,958</u>	<u>70,200</u>
Total Net Assets	<u>1,443,711</u>	<u>1,144,719</u>
Total Liabilities and Net Assets	<u>\$ 1,461,975</u>	<u>\$ 1,152,007</u>

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

MILITARY SPOUSE CORPORATE CAREER NETWORK, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022		2021	
	Amount	%	Amount	%
Without Donor Restrictions				
Support and Revenues				
Contributions	\$ 210,695		\$ 171,480	
Investment return, net of fees	(40,383)		(7,801)	
Net assets released from restrictions	<u>152,242</u>		<u>4,800</u>	
Total Support and Revenues	<u>322,554</u>		<u>168,479</u>	
Expenses				
Program Services				
Subcontract labor	129,310		162,219	
Payroll expenses	27,594		43,020	
Other expenses	1,000		--	
Information technology	600		677	
Travel	402		359	
Office expense	<u>--</u>		<u>78</u>	
Total Program Services	<u>158,906</u>	<u>83.1</u>	<u>206,353</u>	<u>84.6</u>
Management and General				
Payroll expenses	9,277		1,760	
Subcontract labor	5,290		12,074	
Professional fee	3,750		6,796	
Other expense	1,460		1,767	
Information technology	<u>214</u>		<u>393</u>	
Total Management and General	<u>19,991</u>	<u>10.4</u>	<u>22,790</u>	<u>9.3</u>
Fundraising				
Subcontract labor	8,311		12,074	
Payroll expenses	<u>4,112</u>		<u>2,765</u>	
Total Fundraising	<u>12,423</u>	<u>6.5</u>	<u>14,839</u>	<u>6.1</u>
Total Expenses	<u>\$ 191,320</u>	<u>100.0</u>	<u>\$ 243,982</u>	<u>100.0</u>

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

MILITARY SPOUSE CORPORATE CAREER NETWORK, INC.

STATEMENTS OF ACTIVITIES (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022		2021	
	Amount	%	Amount	%
Change in Net Assets Without Donor Restrictions	\$ 131,234		\$ (75,503)	
Net Assets Without Donor Restrictions - Beginning	<u>1,074,519</u>		<u>1,150,022</u>	
Net Assets Without Donor Restrictions - Ending	<u>1,205,753</u>		<u>1,074,519</u>	
With Donor Restrictions				
Contributions and grants	320,000		75,000	
Net assets released from restrictions	<u>(152,242)</u>		<u>(4,800)</u>	
Change in Net Assets With Restrictions	<u>167,758</u>		<u>70,200</u>	
Net Assets With Donor Restrictions - Beginning	<u>70,200</u>		<u>--</u>	
Net Assets With Donor Restrictions - Ending	<u>237,958</u>		<u>70,200</u>	
Change in Total Net Assets	<u>298,992</u>		<u>(5,303)</u>	
Total Net Assets - Beginning	<u>1,144,719</u>		<u>1,150,022</u>	
Total Net Assets - Ending	<u><u>\$ 1,443,711</u></u>		<u><u>\$ 1,144,719</u></u>	

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

MILITARY SPOUSE CORPORATE CAREER NETWORK, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
Cash Flows From Operating Activities		
Change in net assets	\$ 298,992	\$ (5,303)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Net realized/unrealized loss on investments	44,918	14,271
Increase (decrease) in current liabilities:		
Accounts payable	8,009	(6,923)
Accrued expenses	<u>2,967</u>	<u>(3,033)</u>
Net Cash Provided by (Used in) Operating Activities	<u>354,886</u>	<u>(988)</u>
Cash Flows From Investing Activities		
Proceeds from sale of certificates of deposit	402,000	506,000
Purchases of investments	(19,467)	--
Purchases of certificates of deposit	<u>(382,119)</u>	<u>(425,317)</u>
Net Cash Provided by Investing Activities	<u>414</u>	<u>80,683</u>
Net Increase in Cash and Cash Equivalents	355,300	79,695
Cash and Cash Equivalents - Beginning of Year	<u>288,229</u>	<u>208,534</u>
Cash and Cash Equivalents - End of Year	<u>\$ 643,529</u>	<u>\$ 288,229</u>

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

MILITARY SPOUSE CORPORATE CAREER NETWORK, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND NATURE OF ACTIVITIES

Military Spouse Corporate Career Network, Inc. (“MSCCN”, “Organization”) is a not-for-profit entity formed in 2004. MSCCN provides no-cost employment readiness, vocational training, and one-on-one job placement services for military spouses and caregivers of war-wounded. MSCCN operates with a user-friendly Internet Gateway available to job seekers and partnered employers. The Organization is supported through public grants, contributions, and investment income.

BASIS OF ACCOUNTING

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Under the accrual basis, revenues and gains are recognized when earned and expenses and losses when the related liability for goods and services is incurred, regardless of the timing of related cash flows.

ESTIMATES

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from those estimates.

CONCENTRATIONS OF CREDIT RISKS

The Organization maintains its cash in accounts which from time to time exceed the amount insured by the Federal Deposit Insurance Corporation (“FDIC”), which is \$250,000 per depositor per institution. Cash balances exceeded FDIC limits by \$57,493 for the year ended December 31, 2022. The cash balances exceeded the FDIC limits by \$5,785 for the year ended December 31, 2021. The Organization has not experienced any losses in such accounts. In management’s opinion, risk pertaining to such concentrations is minimal.

Approximately 85% and 99% of MSCCN’s revenue was earned through corporate contributions and grants of three donors during the years ended December 31, 2022 and 2021, respectively.

MILITARY SPOUSE CORPORATE CAREER NETWORK, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INVESTMENTS

The Organization's investments consist of U.S. treasuries. These investments are carried at fair value. 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 date. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

FAIR VALUE MEASUREMENTS

In determining the fair value, the Organization principally uses the market approach which generally utilizes market transaction data for the same or similar instruments. A hierarchy was established for inputs used in determining fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that observable inputs be used when available.

Financial assets recorded on the statements of financial position at fair value as of December 31, 2022 and 2021 are categorized in the fair value hierarchy based on the observable inputs to the valuation techniques as follows:

Level 1: Financial assets whose values are based on unadjusted quoted prices for identical assets in an active market that the Organization can access as of the measurement date.

Level 2: Financial assets whose values are based on the following:

- A) Quoted prices for similar assets or liabilities in active markets;
- B) Quoted prices for identical or similar assets in non-active markets; or
- C) Valuation models whose inputs are observable, directly or indirectly, for substantially the full term of the asset.

Level 3: Financial assets whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

These inputs reflect the Organization's estimates of the assumptions that market participants would use in valuing the financial assets.

MILITARY SPOUSE CORPORATE CAREER NETWORK, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CLASSIFICATION OF NET ASSETS

Net assets of the Organization are classified based on the presence or absence of donor-imposed restrictions. Net assets are comprised of two groups as follows:

Net Assets without Donor Restrictions represent those net assets whose use is not restricted by donors. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Net Assets with Donor Restrictions represents those net assets whose use has been limited by donor-imposed restrictions that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those restrictions. Upon satisfaction of time or purpose restrictions, these donor restricted net assets are reclassified to net assets without donor restrictions and are reported in the statements of activities as net assets released from restrictions.

REVENUE RECOGNITION

All contributions and grants are recognized when received and are recorded at fair value and are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support 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 to net assets without donor restrictions and are reported in the statements of activities as net assets released from restrictions.

Investment income or loss is reported as an increase or decrease in net assets without donor restrictions unless its use is restricted by donor stipulation or by law.

FUNCTIONAL ALLOCATION OF EXPENSES

The financial statements report certain categories of expenses that are attributable to various programs, fundraising and supporting functions of the Organization. Most expenses are functionalized based on actual expenses incurred. Payroll expenses are categorized based on actual hours. Expenses are charged directly to program, management and general, and fundraising categories based on specific identification.

MILITARY SPOUSE CORPORATE CAREER NETWORK, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INCOME TAXES

MSCCN is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and therefore, has made no provision for income taxes in the accompanying financial statements. The Organization evaluated its tax position and determined there are no uncertain tax positions as of December 31, 2022 and 2021.

If the Organization were to incur an income tax liability in the future, the interest on any tax liability would be reported as interest expense and penalties on any income tax liability would be reported as income tax expense. The Organization's income tax returns are subject to examination by the appropriate taxing jurisdictions. The Organization's income tax returns generally remain open for examination for three years from the date filed with each taxing jurisdictions and there are currently no examinations pending or in progress.

ADOPTION OF NEW ACCOUNTING PRONOUNCEMENT

In September 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets ("ASU 2020-07"). ASU 2020-07 was implemented to increase the transparency of contributed nonfinancial assets, formerly known as gifts in-kind. Through this update, contributed nonfinancial assets must be presented separately from contributions of cash and other financial assets on the statements of activities and changes in net assets. Not-for-profit entities must also disclose valuation techniques, donor-imposed restrictions, if any, and qualitative information about monetizing or utilizing the contributed nonfinancial assets.

The new standard is effective for the Organization's years beginning after June 15, 2021 and thereafter and must be applied on a retrospective basis. Early adoption is permitted. The Organization adopted ASU 2020-07 effective for the year ended December 31, 2022. The adoption of the new standard did not have a significant effect on the financial statements.

RECLASSIFICATIONS

Certain items in the 2021 financial statements have been reclassified to conform to the current year presentation. Total net assets and changes in net assets are unchanged due to these reclassifications.

MILITARY SPOUSE CORPORATE CAREER NETWORK, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

SUBSEQUENT EVENTS

The Organization has evaluated all significant events or transactions that occurred through December 19, 2023, the date on which the financial statements were available to be issued.

NOTE 2 - CASH AND CASH EQUIVALENTS

The Organization considers short-term highly liquid investments to be cash equivalents provided that they are both readily convertible to cash and had an original maturity of three months or less when purchased. The balance in cash at December 31, 2022 and 2021 includes:

	December 31,	
	2022	2021
Bank of America - checking	\$ 311,495	\$ 259,821
Charles Schwab - cash	332,034	--
Merrill Lynch - cash	--	28,408
Total Cash and Cash Equivalents	\$ 643,529	\$ 288,229

As of December 31, 2022 and 2021, the Organization did not have any cash equivalents.

NOTE 3 - CERTIFICATES OF DEPOSIT

The Organization holds a number of certificates of deposit with a financial institution. The maturity dates of the certificates of deposit vary, with years ranging from 2023 through 2038. The values of the certificates for the years ended December 31, 2022 and 2021 are \$798,890 and \$863,778, respectively. Interest rates range from 0.45% to 4.55% for the year ended December 31, 2022. Interest rates ranged from 0.05% to 2.65% for the year ended December 31, 2021.

MILITARY SPOUSE CORPORATE CAREER NETWORK, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 4 - INVESTMENTS

Investments are reported on the basis of quoted market prices and consist of the following at December 31, 2022. The Organization did not hold any investments at December 31, 2021.

	2022	
	Fair Value	Cost
US Treasuries	<u>\$ 19,556</u>	<u>\$ 19,467</u>

All investments are considered Level One on the fair value hierarchy.

NOTE 5 - RELATED PARTIES

Military Spouse Corporate Career Network (MSCCN) shares the same corporate officers and directors as Corporate America Supports You (CASY). Both organizations have a common purpose goal. No material transactions between the two organizations occurred during the years ended December 31, 2022 and 2021.

MSCCN has the same corporate officer as DK Consulting, LLC and DLK Consulting, LLC which provide subcontractor labor to MSCCN. For the years ended December 31, 2022 and 2021, DLK Consulting, LLC was paid nonemployee compensation amounting to \$37,650 and \$39,000, respectively. For each of the years ended December 31, 2022 and 2021, DK Consulting, LLC was paid nonemployee compensation amounting to \$65,000.

NOTE 6 - LIQUIDITY

At December 31, 2022, the Organization has assets of \$1,461,975 which consists of cash, certificates of deposit, and fixed income securities available to meet needs for general expenditures. Financial assets subject to donor or contractual restrictions total \$237,958 for the year ended December 31, 2022. Accordingly, \$1,224,017 of the funds are available to meet the cash needs of the Organization in the next twelve months.

At December 31, 2021, the Organization had \$1,152,007 of assets which consists of cash and certificates of deposit available to meet needs for general expenditures. Financial assets subject to donor or contractual restrictions total \$70,200 for the year ended December 31, 2021. Accordingly, \$1,081,807 of the funds are available to meet the cash needs of the Organization in the next twelve months.

MILITARY SPOUSE CORPORATE CAREER NETWORK, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 6 - LIQUIDITY (CONTINUED)

The Organization manages its liquidity by developing and adopting annual operating budgets that provide sufficient funds for general expenditures in meeting its liabilities and other obligations as they become due. Cash needs of the Organization are expected to be met on a monthly basis from the grants as well as corporate and individual contributions. In general, the Organization maintains sufficient financial assets on hand to meet thirty days' worth of normal operating expenses.