

Consolidated Financial Statements
Years Ended June 30, 2026 and 2025
With Report of Independent Auditors

Table of Contents

*Report of Independent Auditors* ..... *1*

*Consolidated Statements of Activities* ..... *3*

*Consolidated Statements of Functional Expenses* ..... *5*

*Consolidated Statements of Cash Flows* ..... *7*

*Consolidated Balance Sheets* ..... *8*

*Notes to Consolidated Financial Statements* ..... *9*

Ernst & Young LLP
1020 Spring St NW
Suite 1600
Atlanta, GA 30309

Tel: +1 404 874 8300
ey.com

Shape the future
with confidence

# Report of Independent Auditors

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

## Opinion

We have audited the consolidated financial statements of Cooperative for Assistance and Relief Everywhere, Inc. and Subsidiaries (CARE), which comprise the consolidated balance sheets as of June 30, 2026 and 2025 and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of CARE at June 30, 2026 and 2025, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CARE and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Responsibilities of Management for the Financial Statements

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

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



A member firm of Ernst & Young Global Limited

Shape the future
with confidence

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 CARE's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CARE's ability to continue as a going concern for a reasonable period of time.

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

Ernst & Young LLP

November 18, 2026



A member firm of Ernst & Young Global Limited

CARE
Consolidated Statements of Activities
For the Year Ended June 30, 2026
(*in thousands*)

| | Without Donor Restrictions | With Donor Restrictions | Total 2026 |
|---|---|---|---|
| **Support** | | | |
| Contributions of financial assets | | | |
| CARE International | $ 255,777 | $ – | $ 255,777 |
| Private contributions | 147,588 | 57,762 | 205,350 |
| United States government | 93,820 | – | 93,820 |
| Other institutional donors | 98,379 | – | 98,379 |
| Contributions of nonfinancial assets | | | |
| United States government | 29,421 | – | 29,421 |
| Private contributions | 2 | 2,192 | 2,194 |
| Other institutional donors | 2,224 | – | 2,224 |
| Other revenue | 4,919 | 48 | 4,967 |
| Satisfaction of restrictions | 67,585 | (67,585) | – |
| **Total support** | **699,715** | **(7,583)** | **692,132** |
| **Expenses** | | | |
| Program activities | 616,038 | – | 616,038 |
| Supporting activities | 93,559 | – | 93,559 |
| **Total expenses** | **709,597** | **–** | **709,597** |
| **Investment income and other gains (losses)** | **23,445** | **14,613** | **38,058** |
| **Total changes in net assets** | **13,563** | **7,030** | **20,593** |
| Net assets, beginning of year | 109,970 | 275,511 | 385,481 |
| **Net assets, end of year** | **$ 123,533** | **$ 282,541** | **$ 406,074** |

*See accompanying notes.*

CARE
Consolidated Statements of Activities
For the Year Ended June 30, 2025
(*in thousands*)

| | Without Donor Restrictions | With Donor Restrictions | Total 2025 |
|---|---|---|---|
| **Support** | | | |
| Contributions of financial assets | | | |
| CARE International | $ 250,667 | $ – | $ 250,667 |
| Private contributions | 140,656 | 64,802 | 205,458 |
| United States government | 202,863 | – | 202,863 |
| Other institutional donors | 101,466 | – | 101,466 |
| Contributions of nonfinancial assets | | | |
| United States government | 46,062 | – | 46,062 |
| Private contributions | 141 | 1,774 | 1,915 |
| Other institutional donors | 2,783 | – | 2,783 |
| Other revenue | 5,340 | (370) | 4,970 |
| Satisfaction of restrictions | 86,182 | (86,182) | – |
| **Total support** | **836,160** | **(19,976)** | **816,184** |
| **Expenses** | | | |
| Program activities | 747,787 | – | 747,787 |
| Supporting activities | 87,051 | – | 87,051 |
| **Total expenses** | **834,838** | **–** | **834,838** |
| **Investment income and other gains (losses)** | **7,473** | **5,623** | **13,096** |
| **Total changes in net assets** | **8,795** | **(14,353)** | **(5,558)** |
| Net assets, beginning of year | 101,175 | 289,864 | 391,039 |
| **Net assets, end of year** | **$ 109,970** | **$ 275,511** | **$ 385,481** |

*See accompanying notes.*

CARE

Consolidated Statements of Functional Expenses

For the Year Ended June 30, 2026

(*in thousands*)

| | Program Activities | | | | Supporting Activities | | | |
|---|---|---|---|---|---|---|---|---|
| | **Humanitarian** | **Development** | **Public Information** | **Total** | **Fund Raising** | **Management & General** | **Total** | **2026 Total** |
| Personnel costs | $ 71,747 | $ 100,269 | $ 4,792 | **$ 176,808** | $ 14,971 | $ 19,497 | **$ 34,468** | **$ 211,276** |
| Materials and services | 118,100 | 52,789 | 3,073 | **173,962** | 37,155 | 853 | **38,008** | **211,970** |
| Grants/subgrants | 70,020 | 74,836 | – | **144,856** | – | 29 | **29** | **144,885** |
| Professional services | 11,478 | 20,998 | 1,943 | **34,419** | 8,080 | 4,793 | **12,873** | **47,292** |
| Travel and transportation | 11,631 | 16,244 | 167 | **28,042** | 467 | 472 | **939** | **28,981** |
| Occupancy | 7,084 | 8,750 | 241 | **16,075** | 568 | 893 | **1,461** | **17,536** |
| Financing/depreciation/miscellaneous | 3,174 | 556 | 91 | **3,821** | 1,976 | 120 | **2,096** | **5,917** |
| Equipment | 1,939 | 2,862 | 409 | **5,210** | 1,875 | 736 | **2,611** | **7,821** |
| Agricultural commodities/contributions in-kind | 27,787 | 5,058 | – | **32,845** | 992 | 82 | **1,074** | **33,919** |
| **Total operating expenses** | **$ 322,960** | **$ 282,362** | **$ 10,716** | **$ 616,038** | **$ 66,084** | **$ 27,475** | **$ 93,559** | **$ 709,597** |

*See accompanying notes.*

CARE

Consolidated Statements of Functional Expenses

For the Year Ended June 30, 2025

(*in thousands*)

| | Program Activities | | | | Supporting Activities | | | |
|---|---|---|---|---|---|---|---|---|
| | **Humanitarian** | **Development** | **Public Information** | **Total** | **Fund Raising** | **Management & General** | **Total** | **2025 Total** |
| Personnel costs | $ 91,002 | $ 127,560 | $ 4,806 | **$ 223,368** | $ 14,425 | $ 22,801 | **$ 37,226** | **$ 260,594** |
| Materials and services | 129,472 | 62,722 | 664 | **192,858** | 30,852 | 863 | **31,715** | **224,573** |
| Grants/subgrants | 89,627 | 88,055 | – | **177,682** | 7 | – | **7** | **177,689** |
| Professional services | 15,672 | 21,319 | 1,123 | **38,114** | 6,863 | 3,287 | **10,150** | **48,264** |
| Travel and transportation | 14,527 | 20,167 | 79 | **34,773** | 196 | 390 | **586** | **35,359** |
| Occupancy | 7,801 | 9,457 | 236 | **17,494** | 619 | 1,040 | **1,659** | **19,153** |
| Financing/depreciation/miscellaneous | 2,519 | 5,043 | 99 | **7,661** | 1,759 | 151 | **1,910** | **9,571** |
| Equipment | 2,332 | 3,464 | 273 | **6,069** | 1,520 | 927 | **2,447** | **8,516** |
| Agricultural commodities/contributions in-kind | 44,025 | 5,743 | – | **49,768** | – | 1,351 | **1,351** | **51,119** |
| **Total operating expenses** | **$ 396,977** | **$ 343,530** | **$ 7,280** | **$ 747,787** | **$ 56,241** | **$ 30,810** | **$ 87,051** | **$ 834,838** |

*See accompanying notes.*

CARE
Consolidated Statements of Cash Flows
For the Years Ended June 30, 2026 and 2025
*(in thousands)*

| **Operating activities** | **2026** | **2025** |
|---|---|---|
| Changes in net assets | $ 20,593 | $ (5,558) |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation and amortization | 2,741 | 3,299 |
| Amortization of operating lease right-of-use assets | 7,386 | 9,325 |
| Allowance for subsidiary microfinance loan losses | 132 | 120 |
| Net realized and unrealized gain on investments | (11,113) | (8,007) |
| Increase in value of split interest agreements | (10,402) | (2,495) |
| Changes in assets and liabilities | | |
| Decrease in receivables | 32,606 | 74,608 |
| Increase in program advances and other assets | (100) | (2,173) |
| Decrease in split interest agreements | 426 | 1,500 |
| (Decrease) increase in accounts payable and accrued expenses | (16,514) | 866 |
| Increase in donor advances | 40,444 | 5,997 |
| Decrease in operating lease liabilities | (7,488) | (9,147) |
| Decrease in accrued salaries and benefits | (4,697) | (3,270) |
| Net cash provided by operating activities | 54,014 | 65,065 |
| **Investing activities** | | |
| Purchases of investments | (81,089) | (70,901) |
| Proceeds from sales of investments | 28,263 | 72,753 |
| Purchases of property and equipment | (3,553) | (3,953) |
| Proceeds from sales of property and equipment | 782 | 1,051 |
| Net cash used for investing activities | (55,597) | (1,050) |
| **Financing activities** | | |
| Decrease in subsidiary loans payable and minority interest | (202) | (292) |
| Payments to gift annuitants | (703) | (765) |
| Increase (decrease) in liability for split interest agreements | 581 | (253) |
| Net cash used for financing activities | (324) | (1,310) |
| Net change in cash and cash equivalents | (1,907) | 62,705 |
| Cash and cash equivalents, beginning of year | 184,757 | 122,052 |
| Cash and cash equivalents, end of year | $ 182,850 | $ 184,757 |
| Supplemental cash flow information: | | |
| Noncash contributions | $ 6,557 | $ 5,638 |
| Leases obtained in exchange for operating lease liabilities | 1,762 | 3,609 |
| Cash paid for interest | $ 89 | $ 2 |

*See accompanying notes.*

CARE
Consolidated Balance Sheets
*(in thousands)*

| | June 30, 2026 | June 30, 2025 |
|---|---|---|
| **Assets** | | |
| Cash and cash equivalents | $ 182,850 | $ 184,757 |
| Receivables, net | 66,365 | 98,971 |
| Program advances and other assets | 38,132 | 38,164 |
| Split interest agreements | 152,425 | 142,448 |
| Investments, at fair value | 174,779 | 110,840 |
| Operating lease right-of-use assets | 13,695 | 19,762 |
| Property and equipment, net | 17,756 | 17,727 |
| **Total assets** | **$ 646,002** | **$ 612,669** |
| | | |
| **Liabilities and net assets** | | |
| **Liabilities** | | |
| Accounts payable and accrued expenses | $ 55,677 | $ 72,191 |
| Donor advances | 138,850 | 98,406 |
| Accrued salaries and benefits | 24,239 | 28,936 |
| Operating lease liabilities | 13,719 | 19,888 |
| Liability for split interest agreements | 7,443 | 7,565 |
| Other | – | 202 |
| **Total liabilities** | **239,928** | **227,188** |
| | | |
| **Net assets** | | |
| Without donor restrictions | 123,533 | 109,970 |
| With donor restrictions | 282,541 | 275,511 |
| **Total net assets** | **406,074** | **385,481** |
| | | |
| **Total liabilities and net assets** | **$ 646,002** | **$ 612,669** |

*See accompanying notes.*

## 1. Organization, Mission and Structure

### Mission

The Cooperative for Assistance and Relief Everywhere, Inc. and its subsidiaries (CARE or the Organization) was established in 1945 and is an international humanitarian organization delivering emergency relief and long-term international development programs. CARE's mission is to work around the globe to save lives and defeat poverty. CARE seeks a world of hope, inclusion, and social justice, where poverty has been overcome, and all people live with dignity and security. CARE operates programs in more than 46 countries throughout Africa, Asia, Europe, and the Americas.

CARE's program activities were comprised of the following:

- **Humanitarian**. In times of conflict or disaster, CARE responds to save lives, with special attention to the needs of women and families and the most marginalized. CARE's humanitarian activities include preparedness and early action, emergency response and recovery, and encouraging future resilience. For the years ended June 30, 2026 and 2025, humanitarian work represented 52% and 53%, respectively, of total program expenses, reflecting ongoing conflicts and natural disasters in countries in which CARE operates. For fiscal years 2026 and 2025, the largest humanitarian efforts were in Ethiopia, Sudan, Turkey and Yemen.

- **Development.** CARE works with partners to provide innovative solutions for sustainable development through supporting new ways of supplying or strengthening essential service delivery, building capacity, building resilience for reducing risk, and empowering the most vulnerable, particularly women and families. For the years ended June 30, 2026 and 2025, development work represented 46% of total program expenses.

- **Public Information.** CARE aims to inform the public about its work to defeat poverty and save lives by helping millions of people, especially women and families, find ways to a better life worldwide. Public information represented 2% and 1%, respectively, of total program expenses for fiscal years 2026 and 2025.

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

### Structure and Related Parties

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

**2. Summary of Significant Accounting Policies**

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

**Basis of Accounting**

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

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

- Without donor restrictions – net assets that are not subject to donor-imposed restrictions, the donor restrictions have expired or been satisfied by actions of the organization.

- With donor restrictions – net assets that are subject to time or purpose restrictions, donor restricted endowments and trusts held by third parties.

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

**Use of Estimates and Assumptions**

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

**Allocation of Functional Expenses**

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

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

**Revenue Recognition**

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

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

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

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

Conditional promises, representing awards signed but not yet implemented and recognized as contributions as of June 30, 2026 and 2025, are based on the total award amount less amounts recognized to date.

| | 2026 | 2025 |
|---|---|---|
| Conditional promises: | | |
| CARE International | $ 309,041 | $ 269,317 |
| Other institutional donors | 127,276 | 65,161 |
| Private contributions | 36,080 | 38,069 |
| United States government | 5,779 | 111,442 |
| | **$ 478,176** | **$ 483,989** |

**Nonfood Gifts-in-Kind**

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

**Cash and Cash Equivalents**

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

Cash amounts maintained overseas are largely uninsured. Cash and cash equivalents held in the United States were $144.7 million and $123.1 million, as of June 30, 2026 and 2025 respectively, and cash and cash equivalents held outside the United States were $38.1 million and $61.7 million as of June 30, 2026 and 2025, respectively. Certain donors require cash to be held in separate accounts available for current use. Donor-segregated overseas cash and cash equivalent accounts totaled $3.7 million and $6.1 million as of June 30, 2026 and 2025, respectively.

**Significant Donors and Concentration of Credit Risk**

CARE relies on continued funding from major donor groups, including CARE International, private contributors, the United States government, and other institutional donors. For the years ended June 30, 2026 and 2025, contributions from CARE International represented approximately 37% and 31%, private contributors represented approximately 30% and 25%, the United States government represented approximately 18% and 30%, and other institutional donors represented approximately 15% and 13%, respectively, of CARE's total support.

**Receivables**

Receivables include grants and contracts receivable, ocean freight receivable, and amounts due on unconditional promises to give. Grants and contracts receivable are generally expected to be collected within one year and are recorded at net realizable value. Ocean freight receivables, and a corresponding liability due to the freight line, are recorded when agricultural commodities are shipped to their destination port. These amounts are due from USAID.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value based on the present value of their estimated future cash flows and discounted at an applicable rate in the year the pledge was made. The discount rate ranged between 0.1% to 4.1% for the years ending June 30, 2026 and 2025, respectively.

**Program Advances and Other Assets**

Program advances and other assets include sub-grantee advances to partner organizations and CARE International members, program advances, inventory, equity investments, receivables from CARE International members, prepaid expenses and other miscellaneous assets. Receivables from CARE International members were $3.3 million and $3.5 million respectively, as of June 30, 2026 and 2025.

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

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

Inventory balances as of June 30, 2026 and 2025, were $1 million and $5 million, respectively.

**Split Interest Agreements**

CARE is a beneficiary to various split interest agreements and bequests such as perpetual trusts, charitable lead trusts, charitable remainder trusts, pooled income funds and charitable gift annuities. CARE recognizes contributions, assets and liabilities received under split interest agreements at fair value. Contributions from split interest agreements are recorded at the fair value of the trust assets less the present value of the estimated future payments to be made to the other beneficiaries under specified terms of the trust. A discount rate of 7.0% for both years ended June 30, 2026 and 2025 was used to determine the present value of estimated future payments.

Private contributions from split interest agreements were $20 million for both years ended June 30, 2026 and 2025. Income received from the split interest agreements is reported as support either with or without donor restriction, depending on the existence or absence of donor-imposed restrictions.

As of June 30, 2026 and 2025, approximately 71% and 70%, respectively, of the value of CARE's perpetual trusts was derived from market information. The remaining 29% and 30%, respectively, was associated with alternative investments, with valuations based on estimates provided by the fund managers retained by the trustees. The valuation methods used for these alternative investments may result in fair value measurements that may not be indicative of the net realizable value or reflective of future fair values. While CARE believes its valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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

Charitable gift annuities were maintained in separate portfolios and are invested in accordance with applicable laws. CARE maintained assets sufficient to meet the annuity requirements stipulated by the various state laws. CARE is required to hold reserves related to the gift annuity program based on the laws of certain states; such reserves totaled $7 million as of June 30, 2026 and 2025, respectively.

**Investments**

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

**Property and Equipment**

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

| Asset | Estimated Useful Life |
|---|---|
| Buildings | 25 years |
| Building improvements | 7 years |
| Software | 3 to 10 years |
| Equipment | 3 to 5 years |
| Vehicle | 7 years |
| Leasehold improvements | Shorter of 5 years or life of the lease |

**Donor advances**

Donor advances represent cash received from donors prior to the satisfaction of conditions associated with the contribution. These amounts are not recognized as revenue until the conditions are met.

**Foreign Currency Translation**

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

**Fair Value of Financial Instruments**

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

**Advertising Costs**

CARE expenses advertising costs as incurred. Advertising expenses for the fiscal years ended June 30, 2026 and 2025, were $6.1 million and $2.6 million, respectively.

**Recently Issued Accounting Standards**

CARE has evaluated recent accounting pronouncements and determined that the following standards, previously disclosed, remain applicable and are not expected to materially affect CARE's consolidated financial statements:

In December 2023, the FASB issued ASU 2023-09, *Improvements to Income Tax Disclosures* (*Topic 740*), to enhance transparency and decision usefulness of income tax disclosures and to better understand how an entity's exposure to potential changes in jurisdictional tax legislation affects cash flow forecasts and capital allocation decisions. For non-public business entities this update requires qualitative disclosures about specific categories of reconciling items and individual jurisdictions, that result in a significant difference between the statutory and effective tax rates and disclosing amounts of the income tax paid annually, net of refunds received, disaggregated by federal, state and foreign taxes. Other disclosures include income or loss from continuing operations before income tax expense disaggregated between domestic and foreign, and income tax expense or benefit from continuing operations disaggregated by federal, state and foreign jurisdictions. The standard is effective for the

fiscal year beginning July 1, 2026 for CARE and it is expected that the adoption will not have a material impact on CARE's consolidated financial position or consolidated statements of activities.

In March of 2024, the FASB issued ASU 2024-02, *Codification Improvements - Amendments to Remove References to the Concepts Statements*. This effort facilitates codification updates for technical corrections such as conforming amendments, clarifications to guidance, simplifications to wording of the structure of guidance and other minor improvements. The standard is effective the fiscal year beginning July 1, 2026 for CARE and it is expected that the adoption will not have a material impact on CARE's consolidated financial position and consolidated statements of activities.

**Subsequent Events**

Subsequent events have been evaluated through November 18, 2026, the date the financial statements were issued. There were no subsequent events that required recognition or disclosure in the consolidated financial statements.

**3. Description of Net Assets Classification and Restrictions**

Net assets are classified based on the existence or absence of donor-imposed restrictions. As of June 30, 2026 and 2025, CARE's net assets were categorized as follows:

| | 2026 | | 2025 | |
|---|---|---|---|---|
| | Without Donor Restrictions | With Donor Restrictions | Without Donor Restrictions | With Donor Restrictions |
| Available for operations | $ 104,349 | $ – | $ 89,865 | $ – |
| Property and equipment | 17,756 | – | 17,727 | – |
| Microfinance and social enterprises | 95 | – | 618 | – |
| Right to health and gender equality | 1,333 | 3,379 | 1,760 | 1,912 |
| Women's economic justice | – | 15,567 | – | 5,759 |
| Right to food, water and nutrition and climate justice | – | 20,206 | – | 108,979 |
| Humanitarian action | – | 6,179 | – | 6,179 |
| Multi-sector and other | – | 98,134 | – | 24,102 |
| Split interest agreements | – | 139,076 | – | 128,580 |
| | **$ 123,533** | **$ 282,541** | **$ 109,970** | **$ 275,511** |

Income from the split interest agreements in third party trusts is without donor restrictions.

**4. Liquidity and Availability of Resources**

CARE regularly monitors the financial resources required to meet operating and other commitments through forecasting donor receipts and expenditures, and by maximizing the investment of available funds. The primary sources of liquidity include CARE's cash accounts and assets invested in the money market and marketable securities.

CARE receives funding from major donor groups that are essential to furthering its mission. Primary funding sources include CARE International, private contributors, the United States government, and other institutional donors. Liquidity is managed by ensuring that funding sources are available prior to or shortly after expenses are incurred. Expenses associated with programs with donor restrictions are not incurred if funding is not committed and available.

Program activities are funded using donor restricted resources where cash is either provided in advance or collectable within ninety days. Programs funded by the US government are typically reimbursed within thirty-five days through the Federal Reserve Letter of Credit program. Private donations and certain investment income without donor restrictions are used to fund general expenditures, including supporting activities, with expenses made in accordance with the annual board approved budget.

CARE's financial assets available for general expenditures within one year of the balance sheet date were as follows:

| | 2026 | 2025 |
|---|---|---|
| Cash and cash equivalents, net of donor-restricted funds | $ 179,198 | $ 178,684 |
| Receivables, net of promises to give and other receivables | 38,250 | 60,476 |
| Investments without donor restrictions | 45,544 | 39,877 |
| | **$ 262,992** | **$ 279,037** |

CARE has established performance measures which serve as indicators of liquidity, including operating reserves. CARE defines operating reserves as discretionary net assets divided by average monthly expenses without donor restrictions, or general expenditures. CARE exceeded the operating reserve and other liquidity targets as of June 30, 2026.

CARE's endowment funds consist of donor-restricted endowments that are part of net assets with donor restrictions. Income from these endowments is restricted for specific purposes and is not available for general expenditures. In accordance with CARE's endowment spending policy, five percent of the three-year average fair market value is available for expenditures consistent with the restriction of each endowment. Appropriations from the endowment fund income were $1.6 million and $1.5 million for the years ended June 30, 2026 and 2025, respectively.

The shift in US government policy resulted in a revenue decline from $203 million in financial asset contributions as of June 30, 2025, to $94 million as of June 30, 2026. While this reduction did not materially weaken CARE's liquidity position, it may increase the organization's reliance on other sources of funding to support future operations.

## 5. Contributions of Non-financial Assets

Contributed nonfinancial assets were utilized in CARE's programs and activities in accordance with donor restrictions. The nature, utilization, and valuation techniques of these contributions for the fiscal years ended June 30, 2026 and 2025 are summarized below:

| General Category | Utilization in Programs and Activities | Valuation Techniques and Inputs | 2026 | 2025 |
|---|---|---|---|---|
| Agricultural commodities | Humanitarian and development programs | Lower of cost or market or net realizable value | $ 21,004 | $ 36,084 |
| Ocean and inland freight | Shipping agricultural commodities for humanitarian and development programs | Cost of transportation provided by shipping company | 10,641 | 12,761 |
| Professional and other services | Humanitarian, general and administrative | Fair value provided by donor | 1,776 | 1,444 |
| Supplies | Humanitarian | Fair value provided by donor | 418 | 462 |
| Public service announcements (PSA) and advertising credits | Humanitarian, fundraising and public info | Market value of PSA from the service provider. Ad credits based on dollar value equivalent | - | 9 |
| | | | **$ 33,839** | **$ 50,760** |

## 6. Investment Income and Other Gains (Losses)

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

Other non-operating changes in net assets were comprised of the following for the year ended June 30, 2026:

| | Without Donor Restriction | With Donor Restriction | Total |
|---|---|---|---|
| Net realized and unrealized gain on investments | $ 8,225 | $ 2,888 | $ 11,113 |
| (Decrease) increase in value of split interest agreements | (90) | 10,492 | 10,402 |
| Interest and dividends, net | 7,437 | 1,275 | 8,712 |
| Foreign exchange gain (loss) | 7,873 | (42) | 7,831 |
| | **$ 23,445** | **$ 14,613** | **$ 38,058** |

Other non-operating changes in net assets were comprised of the following for the year ended June 30, 2025:

| | Without Donor Restriction | With Donor Restriction | Total |
|---|---|---|---|
| Net realized and unrealized gain on investments | $ 5,550 | $ 2,457 | $ 8,007 |
| Interest and dividends, net | 5,674 | 1,006 | 6,680 |
| Foreign exchange (loss) gain | (4,246) | 173 | (4,073) |
| Other losses | (13) | – | (13) |
| Increase in value of split interest agreements | 508 | 1,987 | 2,495 |
| | **$ 7,473** | **$ 5,623** | **$ 13,096** |

**7. Endowments**

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

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

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

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

| **Net assets with donor restrictions:** | **2026** | **2025** |
|---|---|---|
| Endowment net assets, beginning of year | 33,252 | 31,454 |
| Additions and investment return | 4,012 | 3,289 |
| Appropriation for expenditure | (1,568) | (1,491) |
| **Endowment net assets, end of year** | **$ 35,696** | **$ 33,252** |

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

| **Net assets with donor restrictions:** | **2026** | **2025** |
|---|---|---|
| The portion of perpetual endowment funds subject to time restriction under SPMIFA | | |
| Without purpose restrictions | $ 2,889 | $ 1,773 |
| With purpose restrictions | 10,410 | 9,082 |
| Total endowment funds classified as net assets with donor restriction | **$ 13,299** | **$ 10,855** |
| The portion of perpetual endowment funds required to be retained permanently either by explicit donor stipulation or by SPMIFA | **$ 22,397** | **$ 22,397** |

**Endowment Spending Policy**

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

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

**Strategies Employed to Achieve Endowment Investment Objectives**

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

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

The asset allocation guidelines by asset type for June 30, 2026 and 2025 were as follows:

| | 2026 | | 2025 | |
|---|---|---|---|---|
| **Asset Class** | **Minimum** | **Maximum** | **Minimum** | **Maximum** |
| Investment Grade Fixed Income | 18% | 45% | 18% | 45% |
| Other Fixed Income | 1% | 15% | 1% | 15% |
| US Equity | 25% | 50% | 20% | 45% |
| Non-US Equity | 5% | 20% | 10% | 25% |
| Asset Allocation Investment | 0% | 10% | 0% | 10% |

**8. Fair Value Measurements**

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

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

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

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

CARE uses the following methods and significant assumptions to estimate fair value for its assets measured and carried at fair value. There have been no changes in methodologies since June 30, 2022.

- Trusts held by third parties are valued using significant unobservable inputs (Level 3). The need to use unobservable inputs generally results from the lack of an active market or marketplace. CARE's Level 3 interest in trusts held by third parties includes both perpetual and non-perpetual trusts.

- Perpetual trusts are recorded at fair value based on a market approach of CARE's interest in the fair value of the underlying trust assets. Non-perpetual trusts are recorded at estimated fair value based on the present value of CARE's estimated future cash flows from the related trust. Future cash flows are based on an income approach (present value techniques) using internally developed models. Assumptions are made regarding the expected rate of return on the investments in the trust, the discount rate, and expected mortality of the individual(s), if the termination of the agreement is dependent on life expectancy. An expected rate of return on the investments in the trusts is estimated using historical investment returns for various relevant market indices for the estimated asset allocation of these trusts.

Assets measured at fair value on a recurring basis as of June 30, 2026 were as follows:

| | Level 1 | Level 2 | Level 3 | Fair Value Measurement |
|---|---|---|---|---|
| **Investments** | | | | |
| **Money market funds** | $ 2,046 | $ – | $ – | $ 2,046 |
| **Fixed Income Securities** | | | | |
| US treasury obligations | 42,003 | – | – | 42,003 |
| Agency obligations | – | 1 | – | 1 |
| Fixed term deposit | 21,404 | – | – | 21,404 |
| Other fixed income securities | – | 30,002 | – | 30,002 |
| **Exchange traded funds** | 5,986 | – | – | 5,986 |
| **Other equity securities** | – | 328 | – | 328 |
| **Mutual Funds** | | | | |
| Fixed income funds | 8,846 | – | – | 8,846 |
| Equity funds | 59,920 | – | – | 59,920 |
| Other mutual funds | 4,243 | – | – | 4,243 |
| **Total Investments** | **144,448** | **30,331** | **–** | **174,779** |
| **Split interest agreements** | $ – | $ – | $ 152,425 | $ 152,425 |

Assets measured at fair value on a recurring basis as of June 30, 2025 were as follows:

| | Level 1 | Level 2 | Level 3 | Fair Value Measurement |
|---|---|---|---|---|
| **Investments** | | | | |
| **Money market funds** | $ 1,567 | $ – | $ – | $ 1,567 |
| **Fixed Income Securities** | | | | |
| US treasury obligations | 22,536 | – | – | 22,536 |
| Agency obligations | – | 2 | – | 2 |
| Fixed term deposit | 761 | – | – | 761 |
| Other fixed income securities | – | 17,450 | – | 17,450 |
| **Exchange traded funds** | 5,726 | – | – | 5,726 |
| **Other equity securities** | – | 802 | 1,088 | 1,890 |
| **Mutual Funds** | | | | |
| Fixed income funds | 5,682 | – | – | 5,682 |
| Equity funds | 51,411 | – | – | 51,411 |
| Other mutual funds | 3,815 | – | – | 3,815 |
| **Total Investments** | **91,498** | **18,254** | **1,088** | **110,840** |
| **Split interest agreements** | $ – | $ – | $ 142,448 | $ 142,448 |

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

| | Equity Securities | Debt Securities | Split Interest Agreements | Total |
|---|---|---|---|---|
| **Fair value as of June 30, 2024** | **$ 913** | **$ –** | **$ 141,453** | **$ 142,366** |
| Maturities or redemptions | – | – | (992) | (992) |
| Increase in value of trusts held by third parties | – | – | 1,987 | 1,987 |
| Net realized and unrealized gain on investments | 175 | – | – | 175 |
| **Fair value as of June 30, 2025** | **$ 1,088** | **$ –** | **$ 142,448** | **$ 143,536** |
| Maturities or redemptions | (530) | – | (515) | (1,045) |
| Increase in value of trusts held by third parties | – | – | 10,492 | 10,492 |
| Net realized and unrealized loss on investments | (558) | – | – | (558) |
| **Fair value as of June 30, 2026** | **$ -** | **$ –** | **$ 152,425** | **$ 152,425** |

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

**9. Receivables, Net**

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

| | 2026 | 2025 |
|---|---|---|
| Grants and contracts receivable: | | |
| United States government | $ 13,739 | $ 28,249 |
| CARE International | 11,822 | 19,034 |
| Other institutional donors | 13,079 | 12,767 |
| Private contributions | 331 | 1,464 |
| Contributions receivable: | | |
| Promises to give, net | 27,304 | 36,560 |
| Other | 811 | 1,935 |
| | 67,086 | 100,009 |
| Allowance for uncollectible accounts | (721) | (1,038) |
| | **$ 66,365** | **$ 98,971** |

Receivables, except for multi-year promises to give, are expected to be collected within one year. The aging of the promises to give as of June 30 was as follows:

| | 2026 | 2025 |
|---|---|---|
| Promises to give receivable: | | |
| Due within one year | $ 20,112 | $ 24,339 |
| Due within two to five years | 7,894 | 13,086 |
| | 28,006 | 37,425 |
| Less discount to present value | (702) | (865) |
| | **$ 27,304** | **$ 36,560** |

**10. Property and Equipment, Net**

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

| | 2026 | 2025 |
|---|---|---|
| Land | $ 3,067 | $ 3,067 |
| Buildings and building improvements | 17,210 | 15,566 |
| Vehicles, equipment and software | 85,466 | 83,708 |
| Leasehold improvements | 3,380 | 3,334 |
| | **$ 109,123** | **$ 105,675** |
| Accumulated depreciation and amortization | (91,367) | (87,948) |
| | **$ 17,756** | **$ 17,727** |

Depreciation and amortization expense was $2.7 million and $3.3 million for the years ended June 30, 2026 and 2025, respectively. Unamortized internal use software costs were $0.8 million and $1.6 million as of June 30, 2026 and 2025, respectively. Amortization expense related to capitalized computer software was $0.6 million for both years ended June 30, 2026 and 2025.

**11. Leases**

CARE has operating leases around the world for office space, warehouses, staff housing and equipment, expiring at various dates through May 31, 2040.

CARE's property leases generally contain renewal options for periods ranging from one to five years. If it is reasonably certain to exercise the renewal options at the inception of the lease, they are considered when determining the lease term and associated payments for the option years. Operating leases with lease terms greater than one year are reported as operating lease Right-of-Use (ROU) assets and operating lease liabilities in the consolidated balance sheets. The weighted average remaining lease term for operating leases was approximately 5 years as of June 30, 2026 and 2025, respectively.

Leases with a term of twelve months or less upon commencement with no renewal option, are treated as short-term leases and are not included on the consolidated balance sheets. These leases are expensed on a straight-line bases over the lease term.

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

Operating lease cost included in the Occupancy line item on the consolidated statement of functional expenses, and expenses of program and supporting activities on the consolidated statements of activities, were $7.2 million and $9.4 million, respectively, for the years ended June 30, 2026 and 2025.

To calculate the present value of lease payments when the rate implicit to the lease is not readily determinable, CARE uses the US Treasury note rate as the risk-free rate for operating leases. CARE uses the US Treasury note rate specific to the term of the lease at the time of adoption, or commencement date of the lease, whichever is later. The weighted average discount rate for operating leases was 3.4% and 3.3% as of June 30, 2026 and 2025, respectively.

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

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

| Years | Amount |
|---|---|
| 2027 | $ 4,993 |
| 2028 | 3,592 |
| 2029 | 2,450 |
| 2030 | 1,398 |
| 2031 | 1,232 |
| Thereafter | 1,599 |
| | **15,264** |
| Less discount to net present value | (1,545) |
| | **$ 13,719** |

**12. Donor Advances**

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

| | 2026 | 2025 |
|---|---|---|
| Commodity grants | $ 529 | $ 4,460 |
| Advances associated with: | | |
| Private contributions | 20,971 | 18,758 |
| United States government | 2,595 | 6,382 |
| CARE International | 52,682 | 50,388 |
| Other institutional donors | 62,073 | 18,418 |
| | **$ 138,850** | **$ 98,406** |

**13. Defined Contribution Plans**

CARE has a defined contribution plan under Internal Revenue Code Section 401(k) for employees that meet eligibility conditions. CARE contributes to a participant's account an amount equal to 4% of the participant's gross salary and matches up to 4% of a participant's contribution. The plan also allows employee after-tax contributions. Employer contributions were $3.3 million and $3.7 million for the years ended June 30, 2026 and 2025, respectively.

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

## 14. Contingencies, Commitments and Other Matters

In the normal course of business, CARE is party to various claims and assessments. In the opinion of management, these matters will not have a material effect on the consolidated financial position, consolidated changes in net assets or consolidated cash flows. CARE has committed to provide funding to CARE Peru in the aggregate amount of $24 million to be paid from fiscal years 2012 through 2034. The commitment to disburse annual funding amounts is conditional upon CARE Peru meeting agreed-upon program expenditures levels each year, and additional program quality and impact targets if expenditures fall below certain thresholds. CARE has made cumulative contributions to CARE Peru of $16.0 million and $15.0 million, respectively, as of June 30, 2026 and 2025.

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

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

## 15. Subsidiary Information and Other Required Disclosures

Consolidated entities include:

- CARE Action Now (CAN) is a related but separate 501(c) (4) organization operating exclusively for the purpose of educating the public and influencing legislative, executive, and judiciary policymakers on the appropriate and sustainable provision of development and humanitarian assistance to underprivileged people.
- CARE Social Ventures, Inc (CSV) is a non-exempt wholly owned subsidiary that bridges the gap between philanthropy and commerce and uses the power of business and markets to reduce poverty. It aims to transform businesses into financially self-sustaining social enterprises and provide jobs, income and services for people lifting themselves out of poverty.
- CARE Enterprises, Inc. (CEI) is a non-exempt wholly owned subsidiary, created to accelerate and invest in for-benefit, financially viable ventures that alleviate poverty by creating dignified employment opportunities and access to markets. For-benefit describes those business ventures that aim to earn a profit while delivering on a social mission.
- Access Africa Fund, LLC (AAF) is a non-exempt, majority owned subsidiary operating with dual investment objectives to enable sub-Saharan micro-finance institutions to expand financial services by making debt and equity investments. CARE owned 91% of the class A capital stock. During fiscal year 2026, AAF completed the wind-down of its operations and was deconsolidated. Legal dissolution activities remain in process as of June 30, 2026.

## 16. Subsidiary Financial Information

Statement of activities for CARE and its subsidiaries for the year ended June 30, 2026:

| | Organization Holding Certificate of Exemption | | Non-exempt Subsidiaries | | | |
|---|---|---|---|---|---|---|
| | CARE USA | CAN | CEI and CSV | AAF | Elimination Entries | Total 2026 |
| Support | $ 692,098 | $ 599 | $ 15 | $ – | $ (580) | $ 692,132 |
| Expenses | 709,507 | 661 | 9 | – | (580) | 709,597 |
| Investment income and other gains and (losses) | 38,058 | – | – | (539) | 539 | 38,058 |
| Total changes in net assets | **20,649** | **(62)** | **6** | **(539)** | **539** | **20,593** |
| Net assets (deficit), beginning of year | 385,149 | 558 | (226) | 539 | (539) | 385,481 |
| **Net assets (deficit), end of year** | **$ 405,798** | **$ 496** | **$ (220)** | **$ –** | **$ –** | **$ 406,074** |

Balance sheet information for CARE and its subsidiaries as of June 30, 2026:

| | Organization Holding Certificate of Exemption | | Non-exempt Subsidiaries | | | |
|---|---|---|---|---|---|---|
| | CARE USA | CAN | CEI and CSV | AAF | Elimination Entries | Total 2026 |
| **Total assets** | **$ 644,647** | **$ 562** | **$ 793** | **$ –** | **$ –** | **$ 646,002** |
| **Total liabilities** | **238,849** | **66** | **1,013** | **–** | **–** | **239,928** |
| **Net assets (deficit)** | | | | | | |
| Without donor restrictions | 123,257 | 496 | (220) | – | – | 123,533 |
| With donor restrictions | 282,541 | – | – | – | – | 282,541 |
| **Total net assets (deficit)** | **405,798** | **496** | **(220)** | **–** | **–** | **406,074** |
| **Total liabilities and net assets** | **$ 644,647** | **$ 562** | **$ 793** | **$ –** | **$ –** | **$ 646,002** |