



# **SHARE YOUR CARE**

## **A D U L T   D A Y   S E R V I C E S**

**FINANCIAL STATEMENTS**

**AND**

**INDEPENDENT AUDITOR'S REPORT**

**JUNE 30, 2022**

# Draft - For Discussion Purposes Only

## **SHARE YOUR CARE, INC. TABLE OF CONTENTS FOR THE YEAR ENDED JUNE 30, 2022**

### **INTRODUCTORY SECTION**

Official Roster	1
-----------------	---

### **FINANCIAL SECTION**

Independent Auditor's Report	2-4
Statement of Financial Position	5
Statement of Activities	6
Statement of Functional Expenses	7
Statement of Cash Flows	8
Notes to Financial Statements	9-18

### **COMPLIANCE SECTION**

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliances and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	19-20
--	-------

### **SUPPLEMENTARY INFORMATION**

Supporting Schedules	21-22
Schedule of Findings and Responses	23
Exit Conference	24

**SHARE YOUR CARE, INC.  
OFFICIAL ROSTER  
FOR THE YEAR ENDED JUNE 30, 2022**

**BOARD OF DIRECTORS**

Pamela K. Carter	President
Pam Barncastle	Vice-President
Marilyn Muffly	Treasurer/Secretary
Margaret Bell	Director
James E. Wise	Director

**ADMINISTRATIVE STAFF**

Nick Pavlakos	Executive Director
Charles Palmer	Chief Financial Officer
William Keisel	Chief Operating Officer

To the Board of Directors of  
Share Your Care, Inc.  
Albuquerque, New Mexico

## **Opinion**

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

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

## **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 Share Your Care, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about Share Your Care, 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 Responsibility 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 it is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement 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 disclosure 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 Share Your Care, 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Share Your Care, 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.

## **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supporting schedule of revenue, administrative and program expenses with reconciliation to the statement of activities and functional expenses is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the information is fairly stated in all material respects in relation to the financial statements as a whole.

## **Report on Summarized Comparative Information**

We have previously audited Share Your Care, Inc.'s 2021 financial statements, and in our report dated February 27, 2023 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 5, 2023, on our consideration of Share Your Care, Inc.'s internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts, grants agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of Share Your Care, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Share Your Care, Inc.'s internal control over financial reporting and compliance.



Ollie D. Waters, CPA, CMA  
Waters & Company, LLC  
Albuquerque, New Mexico  
May 5, 2023

# Draft - For Discussion Purposes Only

**SHARE YOUR CARE, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2022**  
**(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2021)**

ASSETS:	<u>2022</u>	<u>2021</u>
Current Assets		
Cash and Cash Equivalents (Note 2)	\$ 495,541	\$ 799,514
Investments (Note 3)	240,394	251,387
Grant Receivables (Note 4)	47,736	97,426
Medicaid Receivables (Note 5)	9,802	13,849
Program Receivables	19,058	72,731
Private Pay Receivable	-	3,266
Prepaid Expenses (Note 6)	-	12,070
Food Inventory	-	640
Total Current Assets	<u>812,531</u>	<u>1,250,883</u>
Property & Equipment		
Furniture, Fixtures & Equipment (Note 7)	165,990	165,990
Buildings and Leasehold Improvements (Note 7)	221,366	221,366
Vehicles (Note 7)	585,543	585,543
Less Accumulated Depreciation (Note 7)	<u>(959,399)</u>	<u>(950,306)</u>
Net Property & Equipment	<u>13,500</u>	<u>22,593</u>
Total Assets	<u><u>\$ 826,031</u></u>	<u><u>\$ 1,273,476</u></u>
LIABILITIES:		
Current Liabilities		
Accounts Payable	\$ 66,433	\$ 13,607
Accrued Wages and Compensated Absences (Note 8)	79,651	69,878
Deferred Revenue (Note 9)	23,223	40,787
Paycheck Protection Program Loan (Note 10)	-	679,915
Capital Lease Obligation, Current Portion (Note 11)	<u>3,137</u>	<u>5,342</u>
Total Current Liabilities	<u>172,444</u>	<u>809,529</u>
Long-Term Liabilities		
Capital Lease Obligation, Less Current Portion (Note 11)	<u>6,536</u>	<u>9,672</u>
Total Long-Term Liabilities	<u>6,536</u>	<u>9,672</u>
NET ASSETS:		
Without Donor Restriction (Note 12)	638,321	445,545
With Donor Restriction (Note 12)	<u>8,730</u>	<u>8,730</u>
Total Net Assets	<u>647,051</u>	<u>454,275</u>
Total Liabilities & Net Assets	<u><u>\$ 826,031</u></u>	<u><u>\$ 1,273,476</u></u>

SEE INDEPENDENT AUDITOR'S REPORT

The Accompanying Notes Are An Integral Part Of These Financial Statements

# Draft - For Discussion Purposes Only

**SHARE YOUR CARE, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2022**  
**(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2021)**

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>2022 Total</u>	<u>2021 Total</u>
REVENUE:				
Grant Income (Note 13)	\$ 1,748,386	\$ -	\$ 1,748,386	\$ 1,137,515
Medicaid Fees	75,603	-	75,603	13,276
Private Pay Fees	31,553	-	31,553	686
Other Program Fees	41,256	-	41,256	195,910
Contributions	16,847	-	16,847	22,269
Other Income	36,302	-	36,302	15,425
Interest Income (Note 3)	14,668	-	14,668	10,647
Unrealized Gain (Loss) on Investment (Note 3)	(25,161)	-	(25,161)	17,465
Net Assets released from restrictions:				
Restrictions satisfied by program payments	-	-	-	-
Total Revenue	<u>1,939,454</u>	<u>-</u>	<u>1,939,454</u>	<u>1,413,193</u>
EXPENSES:				
Program Services	1,307,900	-	1,307,900	871,983
General & Administrative	438,778	-	438,778	420,602
Total Expenses	<u>1,746,678</u>	<u>-</u>	<u>1,746,678</u>	<u>1,292,585</u>
Change in Net Assets	192,776	-	192,776	120,608
Restatement of Net Assets	-	-	-	37,016
Net Assets at Beginning of Year	445,545	8,730	454,275	296,651
Net Assets at End of Year	<u>\$ 638,321</u>	<u>\$ 8,730</u>	<u>\$ 647,051</u>	<u>\$ 454,275</u>



# Draft - For Discussion Purposes Only

**SHARE YOUR CARE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2022**  
**(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2021)**

	<b><u>Program</u></b>	<b><u>General &amp;</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>
	<b><u>Services</u></b>	<b><u>Administrative</u></b>	<b><u>Total</u></b>	<b><u>Total</u></b>
EXPENSES:				
Salaries & Wages	\$ 811,170	\$ 213,934	\$ 1,025,104	\$ 831,210
Payroll Taxes	78,819	20,787	99,606	72,074
Other Employee Benefits (Note 14)	48,355	12,753	61,108	78,715
Occupancy (Note 15)	156,234	33,822	190,056	39,524
Insurance	53,569	26,007	79,576	102,394
Repairs & Maintenance	54,990	8,022	63,012	13,064
Program Expenses	35,755	178	35,933	11,846
Telephone	18,791	10,082	28,873	31,372
Professional Services	-	26,883	26,883	13,453
Office Expenses	-	25,379	25,379	28,172
Miscellaneous	6,384	18,036	24,420	20,205
Office Leasing	-	24,038	24,038	26,114
Meals	20,462	198	20,660	4,497
Allowance for bad debt	5,876	-	5,876	-
Transportation	2,174	2,881	5,055	2,299
Advertising (Note 16)	-	2,877	2,877	2,406
Interest (Note 11)	-	2,576	2,576	3,575
Contractual Services	1,603	-	1,603	-
Staff Training	1,018	482	1,500	779
Memorials and Recognition	-	750	750	750
Depreciation Expense (Note 7)	12,700	9,093	21,793	10,136
Total Expenses	<u>\$ 1,307,900</u>	<u>\$ 438,778</u>	<u>\$ 1,746,678</u>	<u>\$ 1,292,585</u>

SEE INDEPENDENT AUDITOR'S REPORT

The Accompanying Notes Are An Integral Part Of These Financial Statements

# Draft - For Discussion Purposes Only

**SHARE YOUR CARE, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2022**  
**(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2021)**

	<u><b>2022</b></u>	<u><b>2021</b></u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from grantors	\$ 1,118,161	\$ 1,122,238
Cash receipts from program fees	191,834	291,999
Cash receipts from individual & corporate donors	53,149	37,694
Cash received from interest	500	10,647
Cash paid to and on behalf of employees	(1,176,045)	(1,006,107)
Cash paid for expenses	(469,488)	(357,338)
Cash paid for interest	(2,576)	(3,575)
Net cash provided (used) by operating activities	<u>(284,465)</u>	<u>95,558</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest reinvested	(15,064)	(10,647)
Withdrawals from investment account	-	-
Fees related to investment	897	947
Proceeds from sale of fixed asset	-	-
Net cash provided (used) by investing activities	<u>(14,167)</u>	<u>(9,700)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Paycheck Protection Program	-	333,415
Principal payments on lease obligation	(5,341)	(5,392)
Net cash provided (used) by financing activities	<u>(5,341)</u>	<u>328,023</u>
Net increase (decrease) in cash and cash equivalents	(303,973)	413,881
Cash and cash equivalents at beginning of year	<u>799,514</u>	<u>385,633</u>
Cash and cash equivalents at end of year	<u><u>\$ 495,541</u></u>	<u><u>\$ 799,514</u></u>

# Draft - For Discussion Purposes Only

## SHARE YOUR CARE, INC. NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

### **Note 1. Summary of significant accounting policies**

#### **A. Function of Entity**

Share Your Care, Inc., a nonprofit organization, was incorporated under laws of the State of New Mexico in June 1975. The stated purpose of Share Your Care, Inc. is to provide day care for the elderly and other persons of limited ability who are eighteen years of age or older as an alternative to institutional care. In addition to the Organization's stated goals, Share Your Care, Inc. also focuses on offering support to family caregivers by providing a break from the challenges of care giving. The Organization currently provides program services at seven facilities in Bernalillo, Sandoval, and McKinley counties. Program services are provided to over 400 clients annually and to the primary caregivers of these clients. Share Your Care, Inc.'s major program activities are as follows:

1. Respite – The focus of the Respite program is to provide seniors with activities that will assist them in connecting with their peers and with the community. The maintenance of daily living skills and activities are emphasized. This program also provides support to family caregivers by providing a break from the stress and challenges of care giving.
2. Individual Skill Building (ISB) – The ISB program focuses on providing skill building activities for individuals who have extensive physical needs.
3. General – The General program is designed to provide a broad range of services for adults. This program focuses on maintaining and increasing daily living skills.
4. City Senior Centers – The City centers provide seniors, aged 60 and over, with social activities that assist them in connecting with their peers and community. The City programs emphasize daily living skills and activities. This program services over 70 individuals at four sites.
5. Alivio Caregiver Support – Share Your Care, Inc. raises funds to provide services to older and disabled adults who cannot afford to pay for adult day services and to provide respite services for their caregivers.

Share Your Care, Inc.'s programs are funded by the Area Agency on Aging passed through the City of Albuquerque's Department of Family and Community Services, Medicaid passed through the New Mexico Department of Health / Medical Assistance Division, Adult Protective Services passed through the New Mexico Aging and Long-Term Services Division, the Veteran's Administration, and the North Central NMEDD Non-Metro Area Agency on Aging. Additional support is received from designated donations, grants from private foundations, private pay fees, individual and corporate contributions.

Share Your Care, Inc. is governed by a Board of Directors, which has the responsibility for determining policy and for the execution and evaluation of all programs and activities conducted by the Organization. The Board is limited to a minimum of five directors and a maximum of eleven directors. Board membership is open to any resident of Bernalillo County or nearby communities who evidences an interest in the Organization and is willing to support its goals. The term served by a board member is three years.

# Draft - For Discussion Purposes Only

## SHARE YOUR CARE, INC. NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

### B. Tax Exempt Status

Share Your Care, Inc. is exempt from Federal Income taxes under section 501C (3) of the Internal Revenue Code and is not considered a private foundation within the meaning of Section 509 (A) of the Code.

### C. Basis of Accounting

The accompanying financial statements have been prepared using the accrual method of accounting. Under the accrual method of accounting, revenues are recognized when earned rather than received, and expenses are recognized when the related liability is incurred rather than when paid.

### D. Financial Statement Presentation

The accompanying financial statements have been prepared following the guidance required under Accounting Standards Codification (ASC) 958-605 “*Not for Profit Entities-Revenue Recognition*” and (ASC) 958-205, “*Not-for-Profit Entities-Presentation of Financial Statements*.” Under guidance expressed in these statements, “An organization’s net assets and its revenues, expenses, gains and losses are classified based on whether they are restricted by donors. Amounts for each of these two classes of net assets; *net assets without donor restriction and net assets with donor restriction*, are required to be displayed in a statement of financial position and amounts of change in each of these classes of net assets are required to be displayed in a statement of activities. Recognition of the expiration of donor-imposed restrictions in the period in which the restrictions expire is required. Expirations of restrictions that simultaneously increase one class of net assets and decrease another (reclassifications) are reported separately from other transactions in the statement of activities”.

Amounts for Share Your Care, Inc.’s total assets, liabilities and net assets are to be reported in a statement of financial position; the change in Share Your Care, Inc.’s net assets is reported in a statement of activities; and the change in its cash and cash equivalents is reported in a statement of cash flows.

### E. Liquidity Assessment

Share Your Care’s financial assets available within one year of the statement of position date for general expenditure are as follows:

Cash and Cash Equivalents	\$495,541
Short Term Investments	240,394
Grant Receivable	47,736
Medicaid Receivable	9,802
Program Receivables	<u>19,058</u>
Total	<u>\$812,531</u>

# Draft - For Discussion Purposes Only

## SHARE YOUR CARE, INC. NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

### **Note 1. Summary of significant accounting policies-continued**

#### **F. Revenue Recognition**

Grant Income – Share Your Care, Inc. has concluded that performance obligations associated with grant funding are satisfied upon the successful completion and reporting of the activities specified. Grant revenue is recognized monthly and quarterly, depending upon the terms of the specific agreement.

Contribution Income – Share Your Care, Inc. generally recognizes contribution income upon the receipt of funds.

Program Income is recognized as the related services are provided.

#### **G. Statement of Cash Flows**

For purposes of the statement of cash flows, Share Your Care, Inc. considers all highly liquid investments as cash equivalents. Cash includes amounts held in checking accounts at local banking institutions and money market accounts. On June 30, 2022, Share Your Care, Inc. also owned cash equivalents of \$25,473 as a component of the institutional investment account balance.

#### **H. Grant Receivables**

Grant receivables represent the amount expended during the grant period but reimbursed by the grantor after year-end. When revenues are received in the next year, the receivable will then be reduced.

#### **I. Fair Values Measured on Recurring Basis**

In September 2006, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures. ASC 820 defines fair value, establishes a framework for measuring fair value and expands disclosure about fair value measurements. As of July 1, 2009, Share Your Care, Inc. has adopted ASC 820.

ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest to unobservable inputs in which little or no market data exists (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below.

##### Basis of Fair Value Measurement

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not considered active or financial instruments for which all significant inputs are observable either directly or indirectly.

Level 3 – Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

# Draft - For Discussion Purposes Only

## SHARE YOUR CARE, INC. NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

### Note 1. Summary of significant accounting policies-continued

#### I. Fair Values Measured on Recurring Basis-Continued

The following tables set forth, by level within the fair value hierarchy, Share Your Care, Inc.'s assets and liabilities at fair value, as of June 30, 2022. As required by ASC 820, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The table below represents fair value measurement hierarchy of the assets at fair values as of June 30, 2022:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments	<u>\$240,394</u>	<u>\$240,394</u>	<u>-0-</u>	<u>-0-</u>
Total Assets	<u>\$240,394</u>	<u>\$240,394</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions.

#### J. Fixed Assets

Fixed assets are stated at cost. Share Your Care, Inc. capitalizes all acquisitions at cost in excess of \$1,000. Depreciation, which includes the assets recorded under capital leases, is computed principally using the straight-line method over the estimated useful lives of individual assets. Asset lives range from three to ten years.

#### K. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### L. Contribution of Services

Contributions of services are recognized in the financial statements of Share Your Care, Inc. only if the services received (a) create or enhance nonfinancial assets of (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

#### M. Donated Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specified purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, Share Your Care reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Share Your Care reclassifies *net assets with donor restriction* to *net assets without donor restriction* at that time.

#### N. Inventory

Food inventory is valued at cost. Cost is determined by the retail method on a FIFO (first-in, first-out) basis.

# Draft - For Discussion Purposes Only

## SHARE YOUR CARE, INC. NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

### Note 1. Summary of significant accounting policies-continued

#### O. Private Pay Receivables

Private pay receivables are stated at gross realizable value. Management feels that this amount is fully collectable; therefore, no allowance for doubtful accounts was recorded on June 30, 2022.

#### P. Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases in liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

#### Q. Restricted and Unrestricted Support and Revenue

Contributions received are recorded as *net assets without donor restrictions* and *net assets with donor restrictions* support, depending on the existence or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in *net assets without donor restriction* if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in *net assets with donor restriction*, 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 restrictions.

#### R. Expense Allocation

Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated are compensation and benefits, which are allocated on the basis of estimates of time and effort; occupancy costs, which are allocated on a square footage basis; and other costs, which are allocated based on usage.

#### S. Reclassifications

Certain 2021 amounts may have been reclassified in order to conform to the 2022 financial statement preparation.

#### T. Prior –Year Comparative Information

The financial statements include prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with financial statements for the year ended June 30, 2021, from which the summarized information was derived.

# Draft - For Discussion Purposes Only

## SHARE YOUR CARE, INC. NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

### Note 1. Summary of significant accounting policies-continued

#### U. Uncertain Tax Positions

Share Your Care annually evaluates all federal and state income tax positions. This process includes an analysis of whether these income tax positions the organization takes meet the definition of an uncertain tax position under the Income Taxes Topic of the Financial Accounting Standards Codification. As of June 30, 2022, there were no uncertain tax positions noted. Share Your Care's policy is to classify income tax penalties and interest, when applicable, according to their natural classification. Under the statute of limitations, Share Your Care's tax returns are no longer subject to examination by tax authorities for years prior to 2019.

#### V. Subsequent Events

Management has evaluated subsequent events through May 5, 2023 the date, which the financial statements were available to issue.

### Note 2. Cash Balances

Cash balances on the Statement of Financial Position consist of amounts held at local financial institutions. Cash balances consist of the following on June 30, 2022:

<u>Account Type</u>	<u>Reconciled Balance</u>
Checking	\$491,192
Petty Cash	<u>4,349</u>
Total	<u>\$495,541</u>

On June 30, 2022, the total bank balances were \$491,192 of which \$250,000 was insured by federal depository insurance leaving \$241,192 uninsured and uncollateralized. Share Your Care has not experienced any losses in such accounts and management does not believe it is exposed to any significant credit risk.

### Note 3. Investments

Share Your Care carries investments with readily determinable fair values. Market value on June 30, 2022, is as follows:

Investments:	
Institutional Investment Account	<u>240,394</u>
Total Investments	<u>240,394</u>
Investment return is summarized as follows:	
Fees	(897)
Unrealized Gains (Losses)	(25,160)
Interest Income	<u>15,064</u>
Total Investment return	<u>(10,993)</u>
Average Investments	245,890
Net Investment Return	(10,993)
Average Return on Investments	(4)%



# Draft - For Discussion Purposes Only

## SHARE YOUR CARE, INC. NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

### **Note 4. Grant Receivable**

Grant receivables represent the following amounts due to Share Your Care, Inc. on June 30, 2022:

City of Albuquerque	\$ 34,493
North Central New Mexico Economic Development District	12,679
Other	<u>564</u>
Total	<u>\$ 47,736</u>

### **Note 5. Medicaid Receivables**

Medicaid receivables represent the following amounts due to Share Your Care, Inc. on June 30, 2022:

NM Aging and Long-Term Services Division. -Medicaid DE Waiver	<u>\$9,802</u>
Total	<u>\$9,802</u>

### **Note 6. Prepaid Expense**

Prepaid expense represents amounts paid in advance for insurance coverage that extends beyond June 30, 2022.

### **Note 7. Property and Equipment**

The components of property and equipment on June 30, 2022, are as follows:

Vehicles	\$585,543
Buildings & Lease Improvement	221,366
Furniture & Office Equipment	<u>165,990</u>
Total Property & Equipment	972,899
Less: Accumulated Depreciation	<u>959,399</u>
Net Property & Equipment	<u>\$ 13,500</u>

Depreciation expense for the year ended June 30, 2022, was \$21,793.

### **Note 8. Accrued Compensated Absences**

Employees of Share Your Care, Inc. earn annual leave based on stated policies. Annual leave is payable to the employee upon termination. These accrued amounts are shown as a liability on the statement of financial position and the related change in liability is reflected as an expense for the year in which the change occurs.

### **Note 9. Deferred Revenue**

Deferred Revenue consists of advance payment of Developmentally Disabled funding for the fiscal year 2021-2022.

# Draft - For Discussion Purposes Only

## SHARE YOUR CARE, INC. NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

### **Note 10. Paycheck Protection Program Loan**

Share Your Care, Inc. received a loan from New Mexico Bank and Trust in the amount of \$346,500 under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economy Security (CARES) Act. The loan is subject to a note dated April 29, 2020 and may be forgiven to the extent proceeds of the loan are used for eligible expenditures such as payroll and other expenses described in the CARES Act. A determination was made on July 30, 2021, that Share Your Care, Inc. will received forgiveness in full for all loan proceeds received in connection with the Paycheck Protection Program.

Share Your Care, Inc. received a loan from Sandia Laboratory Federal Credit Union in the amount of \$333,415 under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economy Security (CARES) Act. The loan is subject to a note dated April 19, 2021 and may be forgiven to the extent proceeds of the loan are used for eligible expenditures such as payroll and other expenses described in the CARES Act. A determination was made on October 25, 2021, that Share Your Care, Inc. will received forgiveness in full for all loan proceeds received in connection with the Paycheck Protection Program.

### **Note 11. Capital Lease Obligation**

Share Your Care, Inc., leases office equipment from Konica Minolta under non-cancelable capital lease that expires in December 2023. The obligations carry an average interest rate of 20%. The monthly installments are \$660, to De Lage Landen Financial Services.

Minimum lease payments for each of the five years subsequent to June 30, 2022, are as follows:

<b>Year ended June 30,</b>	<b><u>Konica Minolta</u></b>
2023	\$ 9,349
2024	<u>4,674</u>
Total minimum lease payment	14,023
Less executory costs	2,148
Less amount representing interest	<u>2,202</u>
Present value of minimum lease payments	<u>\$ 9,673</u>

Interest expense for the year ended June 30, 2022, is \$2,576.

# Draft - For Discussion Purposes Only

## SHARE YOUR CARE, INC. NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

### Note 12. Net Assets

Share Your Care, Inc. classifies its net assets into the following categories:

***Without Donor Restrictions*** – net assets that are not subject to donor-imposed stipulations. This includes certain amounts designated by the Board for grants, endowments, and other purposes.

***With Donor Restrictions*** – net assets subject to donor-imposed stipulations that may or will be met by either actions of Share Your Care and/or the passage of time or are subject to donor-imposed restrictions that Share Your Care permanently maintain them. *Net Assets with donor restrictions* consist of donations designated future years.

Net Asset with donor restrictions on June 30, 2022, consist of:

<u>Foundation/ Grant</u>	<u>Amount</u>
Time restrictions on funding for Alivio program	<u>\$8,730</u>
Total Net Assets with Donor Restriction	<u>\$8,730</u>

### Note 13. Grant Income

Grant income represents support received by Share Your Care, Inc. from the following funding sources:

<u>Grant Name</u>	
City of Albuquerque	\$782,996
Paycheck Protection Program Forgiveness	679,915
North Central New Mexico Economic Development District	253,051
New Mexico Finance Authority	25,000
NM Aging and Long-Term Services Division	<u>7,424</u>
Total	<u>\$1,748,386</u>

### Note 14. Retirement Plans

Share Your Care, Inc. participates in a defined contribution retirement plan administered by the Pension Planning Consultants. This plan is for the benefit of all eligible professional and support staff of the Share Your Care, Inc. who qualify under applicable participation requirements. Under the terms of the plan, contributions are made under Section 403(b) of the Code and are invested, at the discretion of the plan participant, in one or more of the investment vehicles available under the plan. The plan currently does not provide for Share Your Care, Inc. to match participant contributions.

### Note 15. Operating Leases

Share Your Care, Inc. leases its general offices and program sites under a month-to-month basis. Rental expenses were approximately \$29,043 for the general offices and \$161,013 for program sites for the year ended June 30, 2022.

# Draft - For Discussion Purposes Only

## SHARE YOUR CARE, INC. NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

### **Note 16. Advertising**

Share Your Care, Inc. expenses advertising costs as incurred. Advertising costs are incurred primarily for the recruitment of professional staff and the dissemination of information regarding program offerings.

### **Note 17. Concentrations of Risk**

Share Your Care, Inc. receives 66% of its funding from government sources. The Organization's funding is vulnerable to changes in the legislative priorities of the City, State and Federal governments. Share Your Care, Inc.'s management does not expect that the support from these governmental agencies will be lost in the near term.

### **Note 18. Contingency**

In December 2019, a novel strain of coronavirus was reported in Wuhan, China. The World Health Organization had declared the outbreak to constitute a "Public Health Emergency of International Concern." The COVID-19 outbreak is disrupting operations across a range of industries. The extent of the impact of COVID-19 on Share Your Cares' operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on the services provided, employees and vendors, all of which are uncertain and cannot be predicted. At this point, the extent of which COVID-19 may impact Share Your Cares' financial condition or results of operations is uncertain.

**Independent Auditor's Report on Internal Control Over Financial Reporting and  
On Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance With *Government Auditing Standards***

To the Board of Directors  
Share Your Care, Inc.  
Albuquerque, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Share Your Care, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 5, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Share Your Care, Inc.'s internal control over financial reporting (internal control), as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Share Your Care, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Share Your Care, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

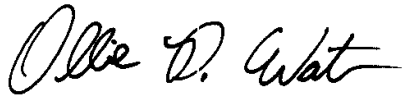
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Share Your Care, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Ollie D. Waters". The signature is written in a cursive, flowing style.

Ollie D. Waters, CPA, CMA  
Waters & Company, LLC.  
Albuquerque, NM  
May 5, 2023

# Draft - For Discussion Purposes Only

**SHARE YOUR CARE, INC.**  
**SUPPORTING SCHEDULE OF REVENUE, ADMINISTRATIVE AND PROGRAM EXPENSES**  
**WITH RECONCILIATION TO THE STATEMENT OF ACTIVITIES AND FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**Total Units of Service Provided:** 2,781.25

	<b>McKinley County State</b>	<b>McKinley County Federal</b>	<b>McKinley County Other Rev.</b>	<b>McKinley County In Kind</b>	<b>Title III-E McKinley County</b>
<b>REVENUE:</b>					
IIIE AAA State	\$ 42,941	\$ -	\$ -	\$ -	\$ 42,941
IIIE AAA Federal	-	61,433	-	-	61,433
Grant Income	-	-	-	-	-
In-Kind Rent	-	-	-	-	-
In-Kind Activity Supplies	-	-	-	-	-
Program Income	-	-	-	-	-
Contributions	-	-	-	-	-
United Way Allocation	-	-	-	-	-
Other Income	-	-	-	-	-
Interest Income	-	-	-	-	-
Gain on Disposition of Asset	-	-	-	-	-
Event Income	-	-	-	-	-
Unrealized Loss on Investment	-	-	-	-	-
<b>Total Revenue</b>	<b>42,941</b>	<b>61,433</b>	<b>-</b>	<b>-</b>	<b>104,374</b>
<b>EXPENSES:</b>					
Salaries and Fringe-Direct Care	50,085	22,795	-	-	72,880
Salaries and Fringe-Admin	-	-	-	-	-
Payroll Taxes - FICA	3,832	1,744	-	-	5,576
Payroll Taxes - SUTA	892	-	-	-	892
Payroll Taxes	-	-	-	-	-
Kitchen Supplies	-	-	-	-	-
Health Insurance-Direct Care	-	-	-	-	-
Other Employee Benefits	-	-	-	-	-
Transportation	-	-	-	-	-
Occupancy	6,000	-	-	-	6,000
Contractual Services	-	-	-	-	-
Meals	2,572	2,130	-	-	4,702
General Liability/Bonding/D & O	2,115	-	-	-	2,115
Vehicle Insurance	807	-	-	-	807
Worker's Comp. Insurance	-	-	-	-	-
Insurance	-	-	-	-	-
Program Expenses	1,525	-	-	-	1,525
Repairs & Maintenance	-	-	-	-	-
Repairs & Maintenance- Vehicles	815	-	-	-	815
Repairs & Maintenance-Equip/Buil	797	-	-	-	797
Telephone	2,144	983	-	-	3,127
Audit	-	-	-	-	-
Fuel	352	-	-	-	352
General Operating	190	-	-	-	190
Supplies	108	-	-	-	108
Postage	13	-	-	-	13
In-Kind Rent and Supplies	-	-	-	-	-
Memorials and Recognition	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Advertising	-	-	-	-	-
Office Equipment Leasing	-	-	-	-	-
Professional Services	-	-	-	-	-
Staff Training	55	-	-	-	55
Fundraising Expenses	-	-	-	-	-
Interest	-	-	-	-	-
Bad Debt Expense	-	-	-	-	-
Travel	9	-	-	-	9
Licenses/Fees	300	-	-	-	300
Office Expenses	-	-	-	-	-
Allowance for Bad Debt Expense	-	-	-	-	-
Depreciation Expense	-	-	-	-	-
<b>Total Expenses</b>	<b>\$ 72,610</b>	<b>\$ 27,652</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 100,262</b>
Change in Net Assets					<u>\$ 4,112</u>

# Draft - For Discussion Purposes Only

## SHARE YOUR CARE, INC. SUPPORTING SCHEDULE OF REVENUE, ADMINISTRATIVE AND PROGRAM EXPENSES WITH RECONCILIATION TO THE STATEMENT OF ACTIVITIES AND FUNCTIONAL EXPENSES FOR THE YEAR ENDED JUNE 30, 2022

**Total Units of Service Provided:** 10,236.25

	<u>Sandoval County State</u>	<u>Sandoval County Federal</u>	<u>Sandoval County Prg Inc.</u>	<u>Sandoval County Other Rev</u>	<u>Title III-E Sandoval County</u>	<u>Title III-E Total</u>	<u>Other Programs</u>	<u>Total</u>
<b>REVENUE:</b>								
IIIE AAA State	\$ 56,032	\$ -	\$ 2,207	\$ -	\$ 58,239	\$ 101,180	\$ -	\$ 101,180
IIIE AAA Federal	-	92,645	-	-	92,645	154,078	-	154,078
Grant Income	-	-	-	-	-	-	1,493,128	1,493,128
In-Kind Rent	-	-	-	-	-	-	-	-
In-Kind Activity Supplies	-	-	-	-	-	-	-	-
Program Income	-	-	-	-	-	-	148,412	148,412
Contributions	-	-	-	-	-	-	16,847	16,847
United Way Allocation	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	36,302	36,302
Interest Income	-	-	-	-	-	-	14,668	14,668
Gain on Disposition of Asset	-	-	-	-	-	-	-	-
Event Income	-	-	-	-	-	-	-	-
Unrealized Loss on Investment	-	-	-	-	-	-	(25,161)	(25,161)
Total Revenue					150,884	255,258	1,684,196	1,939,454
<b>EXPENSES:</b>								
Salaries and Fringe-Direct Care	65,685	45,670	-	-	111,355	184,235	840,869	1,025,104
Salaries and Fringe-Admin	-	-	-	-	-	-	-	-
Payroll Taxes - FICA	5,048	3,864	-	-	8,912	14,488	83,334	97,822
Payroll Taxes - SUTA	892	-	-	-	892	1,784	-	1,784
Payroll Taxes	-	-	-	-	-	-	-	-
Kitchen Supplies	-	-	-	-	-	-	-	-
Health Insurance-Direct Care	-	-	-	-	-	-	-	-
Other Employee Benefits	117	-	-	-	117	117	60,991	61,108
Transportation	-	-	-	-	-	-	4,694	4,694
Occupancy	492	-	-	-	492	6,492	183,564	190,056
Contractual Services	1,603	-	-	-	1,603	1,603	-	1,603
Meals	-	-	-	-	-	4,702	15,958	20,660
General Liability/Bonding/D & O	2,823	-	-	-	2,823	4,938	-	4,938
Vehicle Insurance	1,234	-	-	-	1,234	2,041	-	2,041
Worker's Comp. Insurance	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	72,598	72,598
Program Expenses	-	-	-	-	-	1,525	34,408	35,933
Repairs & Maintenance	-	-	-	-	-	-	61,400	61,400
Repairs & Maintenance- Vehicles	-	-	-	-	-	815	-	815
Repairs & Maintenance-Equip/Buil	-	-	-	-	-	797	-	797
Telephone	1,112	-	-	-	1,112	4,239	24,634	28,873
Audit	-	-	-	-	-	-	-	-
Fuel	-	-	-	-	-	352	-	352
General Operating	-	-	-	-	-	190	-	190
Supplies	-	-	-	-	-	108	-	108
Postage	-	-	-	-	-	13	-	13
In-Kind Rent and Supplies	-	-	-	-	-	-	-	-
Memorials and Recognition	-	-	-	-	-	-	750	750
Miscellaneous	16	-	-	-	16	16	24,404	24,420
Advertising	-	-	-	-	-	-	2,877	2,877
Office Equipment Leasing	-	-	-	-	-	-	24,038	24,038
Professional Services	-	-	-	-	-	-	26,883	26,883
Staff Training	161	-	-	-	161	216	1,284	1,500
Fundraising Expenses	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	2,576	2,576
Bad Debt Expense	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	9	-	9
Licenses/Fees	-	-	-	-	-	300	-	300
Office Expenses	-	-	-	-	-	-	24,768	24,768
Allowance for Bad Debt Expense	-	-	-	-	-	-	5,876	5,876
Depreciation Expense	-	-	-	-	-	-	21,793	21,793
Total Expenses	\$ 79,183	\$ 49,534	\$ -	\$ -	\$ 128,717	\$ 228,979	\$ 1,517,699	\$ 1,746,678
Change in Net Assets					\$ 22,167	\$ 26,279	\$ 166,497	\$ 192,776



SHARE YOUR CARE, INC.  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2022

**SECTION I - SUMMARY OF AUDITORS' RESULTS**

*Financial Statements:*

1. Type of auditors' report issued Unmodified

Internal control over financial reporting:

1. Material weakness(es) identified? No  
2. Significant deficiencies identified that are not  
considered to be material weaknesses? None noted  
3. Noncompliance material to financial statements  
noted? No

*Federal Awards:*

Internal control over major programs:

1. Material weakness(es) identified? N/A  
2. Significant deficiencies identified that are not  
considered to be material weaknesses N/A

Type of auditor's report issued on compliance  
for major programs N/A

Any audit findings disclosed that are required to be  
reported in accordance with 2 CFR 200.516 (a) N/A

Identification of major programs:

CFDA Number  
N/A

Name of Federal Program or Cluster  
N/A

Dollar threshold used to distinguish between  
Type A and Type B programs N/A

Auditee qualified as low-risk N/A

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**PRIOR YEAR FINDINGS:**

No matters were noted

**CURRENT YEAR FINDINGS:**

No matters were noted

**SECTION III – FEDERAL AWARDS FINDINGS**

N/A

**SHARE YOUR CARE, INC.  
EXIT CONFERENCE  
FOR THE YEAR ENDED JUNE 30, 2022**

On \_\_\_\_\_, an exit conference was held at the offices of Share Your Care, Inc. In attendance were the following:

**Representing Share Your Care, Inc.**

**Representing the Auditors**

Ollie D. Waters, CPA

Auditor

Veronica Villanueva, CPA

Auditor