



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, 2020

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FOR THE YEAR ENDED JUNE 30, 2020**

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**SHARE YOUR CARE, INC.
OFFICIAL ROSTER
FOR THE YEAR ENDED JUNE 30, 2020**

BOARD OF DIRECTORS

Eva Fomalont	President
Pamela K. Carter	Vice-President
Marilyn Muffly	Treasurer
Daniel Regan	Secretary
James E. Wise	Director
Margaret Bell	Director
Carolyn Gonzales	Director
Pam Barncastle	Director
Sherrie Williams	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

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

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, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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, 2020, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Share Your Care's 2018 financial statements, and in our report dated December 20, 2019, 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, 2019, 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 June 29, 2021, 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, grant agreements, and other matters. The purpose of that report is 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 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
Moye, Waters and Associates, LLC
Albuquerque, New Mexico
September 13, 2021

SHARE YOUR CARE, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020
(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2019)

ASSETS:	<u>2020</u>	<u>2019</u>
Current Assets		
Cash and Cash Equivalents (Note 2)	\$ 385,633	\$ 104,365
Investments (Note 3)	223,374	376,130
Grant Receivables (Note 4)	82,149	115,325
Medicaid Receivables (Note 5)	39,477	43,864
Program Receivables	87,904	64,471
Private Pay Receivable	3,805	18,780
Prepaid Expenses (Note 6)	14,836	24,016
Food Inventory	640	1,789
Total Current Assets	<u>837,818</u>	<u>748,740</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	629,159
Less Accumulated Depreciation (Note 7)	<u>(940,170)</u>	<u>(969,940)</u>
Net Property & Equipment	<u>32,729</u>	<u>46,575</u>
Total Assets	<u>\$ 870,547</u>	<u>\$ 795,315</u>
LIABILITIES:		
Current Liabilities		
Accounts Payable	\$ 116,923	\$ 78,895
Accrued Wages and Compensated Absences (Note 8)	90,067	59,275
Paycheck Protection Program Loan	346,500	-
Capital Lease Obligation, Current Portion (Note 9)	<u>5,392</u>	<u>13,475</u>
Total Current Liabilities	<u>558,882</u>	<u>151,645</u>
Long-Term Liabilities		
Capital Lease Obligation, Less Current Portion (Note 9)	<u>15,014</u>	<u>16,056</u>
Total Long-Term Liabilities	<u>15,014</u>	<u>16,056</u>
NET ASSETS:		
Without Donor Restriction (Note 10)	287,921	605,525
With Donor Restriction (Note 10)	<u>8,730</u>	<u>22,089</u>
Total Net Assets	<u>296,651</u>	<u>627,614</u>
Total Liabilities & Net Assets	<u>\$ 870,547</u>	<u>\$ 795,315</u>

SHARE YOUR CARE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020
(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2019)

	Without Donor Restriction	With Donor Restriction	2020 Total	2019 Total
REVENUE:				
Grant Income (Note 11)	\$ 1,206,044	\$ -	\$ 1,206,044	\$1,165,147
Medicaid Fees	567,437	-	567,437	705,793
Private Pay Fees	79,295	-	79,295	108,539
Other Program Fees	274,181	-	274,181	287,587
Contributions	73,359	-	73,359	27,182
Other Income	3,221	-	3,221	1,505
Interest Income (Note 3)	15,674	-	15,674	20,699
In-Kind Donations (Note 12)	-	-	-	4,450
Unrealized Gain (Loss) on Investment (Note 3)	(12,437)	-	(12,437)	5,562
Gain on Disposition of Asset	750	-	750	618
Net Assets released from restrictions:				
Restrictions satisfied by program payments	13,359	(13,359)	-	-
Total Revenue	2,220,883	(13,359)	2,207,524	2,327,082
EXPENSES:				
Program Services	2,007,977	-	2,007,977	1,966,731
General & Administrative	530,510	-	530,510	392,901
Fundraising	-	-	-	103,046
Total Expenses	2,538,487	-	2,538,487	2,462,678
Change in Net Assets	(317,604)	(13,359)	(330,963)	(135,596)
Net Assets at Beginning of Year	605,525	22,089	627,614	763,210
Net Assets at End of Year	\$ 287,921	\$ 8,730	\$ 296,651	\$ 627,614

SHARE YOUR CARE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020
(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2019)

	<u>Program Services</u>	<u>General & Administrative</u>	<u>Fundraising</u>	<u>2020 Total</u>	<u>2019 Total</u>
EXPENSES:					
Salaries & Wages	\$ 1,344,505	\$ 286,616	\$ -	\$ 1,631,121	\$ 1,472,271
Payroll Taxes	106,531	22,710	-	129,241	116,034
Occupancy (Note 14)	104,183	38,495	-	142,678	174,690
Other Employee Benefits (Note 13)	112,062	23,889	-	135,951	137,662
Meals	81,801	143	-	81,944	119,233
Insurance	69,781	44,528	-	114,309	95,576
Repairs & Maintenance	59,857	5,588	-	65,445	78,332
Program Expenses	36,412	5,749	-	42,161	43,148
Office Expenses	11,481	22,869	-	34,350	37,713
Telephone	25,618	11,751	-	37,369	37,682
Transportation	19,097	2,989	-	22,086	32,630
Miscellaneous	13,734	4,494	-	18,228	30,225
Professional Services	-	24,145	-	24,145	25,965
Contractual Services	13,312	-	-	13,312	13,494
Office Leasing	5,679	11,469	-	17,148	10,874
Advertising (Note 15)	32	7,509	-	7,541	6,321
Staff Training	1,641	1,340	-	2,981	5,665
Interest (Note 9)	-	5,091	-	5,091	4,275
Allowance for bad debt	-	(1,210)	-	(1,210)	1,734
Memorials and Recognition	-	750	-	750	836
Fundraising Expenses	-	-	-	-	9
Depreciation Expense (Note 7)	2,251	11,595	-	13,846	18,309
Total Expenses	<u>\$ 2,007,977</u>	<u>\$ 530,510</u>	<u>\$ -</u>	<u>\$ 2,538,487</u>	<u>\$ 2,462,678</u>

SHARE YOUR CARE, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020
(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2019)

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from grantors	\$ 1,239,220	\$ 1,136,186
Cash receipts from program fees	916,842	1,132,162
Cash receipts from individual & corporate donors	76,580	55,087
Cash received from interest	15,674	20,699
Cash paid to and on behalf of employees	(1,861,602)	(1,751,807)
Cash paid for expenses	(578,798)	(722,839)
Cash paid for interest	(5,091)	(4,275)
Net cash provided (used) by operating activities	<u>(197,175)</u>	<u>(134,787)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest reinvested	(15,674)	(20,699)
Withdrawals from investment account	155,000	46,000
Fees related to investment	992	1,500
Purchase of fixed asset	-	(41,020)
Proceeds from sale of fixed asset	750	-
Net cash provided (used) by investing activities	<u>141,068</u>	<u>(14,219)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from capital lease	-	25,137
Proceeds from Paycheck Protection Program	346,500	-
Principal payments on lease obligation	(9,125)	(10,598)
Net cash provided (used) by financing activities	<u>337,375</u>	<u>14,539</u>
Net increase (decrease) in cash and cash equivalents	281,268	(134,467)
Cash and cash equivalents at beginning of year	<u>104,365</u>	<u>238,832</u>
Cash and cash equivalents at end of year	<u>\$ 385,633</u>	<u>\$ 104,365</u>
NON CASH ACTIVITIES		
In-Kind Donation of Facilities	-	27,429
In-Kind Donation of Materials	-	7,708
In-Kind Donation of Services	-	500
In-Kind Donation of Fixed Asset	-	-
Total Non Cash Activities	<u>\$ -</u>	<u>\$ 35,637</u>

**SHARE YOUR CARE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

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 New Mexico Children Youth and Family Department, 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 nine directors and a maximum of fifteen members. 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.

SHARE YOUR CARE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

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	\$385,633
Short Term Investments	223,374
Grant Receivable	82,149
Medicaid Receivable	39,477
Program Receivables	87,904
Private Pay Receivables	<u>3,805</u>
Total	<u>\$806,670</u>

F. 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, 2020, Share Your Care, Inc. also owned cash equivalents of \$24,887 as a component of the institutional investment account balance.

SHARE YOUR CARE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

Note 1. Summary of significant accounting policies-continued

G. 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.

H. 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.

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, 2020. 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, 2020:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments	223,374	223,374	-0-	-0-
Total Assets	<u>\$223,374</u>	<u>\$223,374</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.

SHARE YOUR CARE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

Note 1. Summary of significant accounting policies-continued

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.

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, 2020.

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.

SHARE YOUR CARE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

Note 1. Summary of significant accounting policies-continued

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

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

S. 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, 2019, from which the summarized information was derived.

T. 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, 2020, 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 2017.

U. Subsequent Events

Management has evaluated subsequent events through September 13, 2021, the date, which the financial statements were available to issue.

SHARE YOUR CARE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

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, 2020:

<u>Account Type</u>	<u>Reconciled Balance</u>
Checking	\$380,707
Petty Cash	<u>4,926</u>
Total	<u>\$385,633</u>

On June 30, 2020, the total bank balances were \$380,707 of which \$250,000 was insured by federal depository insurance leaving \$130,707 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, 2020, is as follows:

Investments:	
Institutional Investment Account	223,374
Total Investments	<u>223,374</u>
Investment return is summarized as follows:	
Fees	(992)
Unrealized Gains (Losses)	(12,437)
Interest Income	<u>15,674</u>
Total Investment return	<u>2,245</u>
Average Investments	299,752
Net Investment Return	(2,245)
Average Return on Investments	1%

Note 4. Grant Receivable

Grant receivables represent the following amounts due to Share Your Care, Inc. on June 30, 2020:

City of Albuquerque	\$ 31,216
North Central New Mexico Economic Development District	<u>50,933</u>
Total	<u>\$ 82,149</u>

Note 5. Medicaid Receivables

Medicaid receivables represent the following amounts due to Share Your Care, Inc. on June 30, 2020:

NM Aging and Long-Term Services Division. -Medicaid DE Waiver	14,510
NM Developmental Disabilities Services Division. -Medicaid DD Waiver	<u>24,967</u>
Total	<u>\$39,477</u>

Note 6. Prepaid Expense

Prepaid expense represents amounts paid in advance for insurance coverage that extends beyond June 30, 2020.

SHARE YOUR CARE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

Note 7. Property and Equipment

The components of property and equipment on June 30, 2020, 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>940,170</u>
Net Property & Equipment	<u>\$ 32,729</u>

Depreciation expense for the year ended June 30, 2020, was \$13,846.

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. Capital Lease Obligation

Share Your Care, Inc., leases office equipment from Ricoh under non-cancelable capital lease that expires in 2020. The obligations carry an average interest rate of 18%. The monthly installments are \$525, to IKON Financial Services.

Minimum lease payments for each of the five years subsequent to June 30, 2020, are as follows:

Year ended June 30,	<u>Konica Minolta</u>
2021	<u>1,050</u>
Total minimum lease payment	1,050
Less amount representing interest	<u>24</u>
Present value of minimum lease payments	<u>\$ 1,026</u>

Interest expense for the year ended June 30, 2020, is \$24.

Share Your Care, Inc., leases office equipment from Konica Minolta under non-cancelable capital lease that expires in 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, 2020, are as follows:

Year ended June 30,	<u>Konica Minolta</u>
2021	9,349
2022	9,349
2023	9,349
2024	<u>4,674</u>
Total minimum lease payment	32,721
Less executory costs	5,011
Less amount representing interest	<u>8,330</u>
Present value of minimum lease payments	<u>\$ 19,380</u>

Interest expense for the year ended June 30, 2020, is \$8,330.

SHARE YOUR CARE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

Note 10. 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, 2020, 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 11. Grant Income

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

<u>Grant Name</u>	
City of Albuquerque	\$ 874,181
North Central New Mexico Economic Development District	260,981
NM Children Youth Family Department-Child and Adult Care Food Program	41,886
NM Aging and Long-Term Services Division	<u>28,996</u>
Total	<u>\$1,206,044</u>

Note 12. In-Kind Donations

Share Your Care, Inc. received 4,714 hours of volunteer time that did not meet the criteria for recognition.

Note 13. 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 14. Operating Leases

Share Your Care, Inc. leases its general offices and program sites under a month-to-month basis. Rental expenses were approximately \$35,737 for the general offices and \$106,941 for program sites for the year ended June 30, 2020.

SHARE YOUR CARE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

Note 15. 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 16. Concentrations of Risk

Share Your Care, Inc. receives 50% 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 17. New Accounting Standards

Revenue Recognition

In May 2014, the FASB has recently issued Accounting Standards Update (ASU) 2014-09, (Topic 606): *Revenue from Contracts with Customers* that was designed to develop a common revenue standard for U.S. Generally Accepted Accounting Principles (US GAAP) and international standards. The core principle of this ASU is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Steps to apply the core principle are as follows:

1. Identify the contract(s) with the customer
2. Identify the separate performance obligations
3. Determine the transaction price
4. Allocate the transaction price
5. Recognize revenue when a performance obligation is satisfied

Several new disclosures will also be required to include sufficient information to enable users of the financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. This ASU will be effective for annual periods beginning after December 15, 2019.

Leases

In February 2016, the FASB issued ASU 2016-02 *Leases* (FASB Codification Topic 842) which significantly changes the accounting for leases in the financial statements of lessees and supersedes FASB Codification Topic 840. With this update, GAAP now will require lessees under operating leases to recognize a liability in the statement of financial position and an asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting election not to recognize lease assets and lease liabilities. If a lessee makes this election, it should recognize lease expense for such leases generally on a straight-line basis over the lease term. Cash flows related to operating leases will continue to be reported within operating activities on the statement of cash flows. This ASU is effective for fiscal years beginning after December 15, 2021.

SHARE YOUR CARE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

Note 17. New Accounting Standards-Continued

Contributions and Exchange Transactions

In June 2018, the FASB issued ASC 958-605 *Not-for-Profit Entities* (FASB Codification Topic 958) to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The amendment in this update clarifies the criteria for evaluating whether transactions should be accounted for as contributions or as exchange transactions and determining whether a contribution is conditional.

The amendments in this ASU are effective for annual financial statements issued for fiscal years beginning after December 15, 2018, with respect to contributions received and fiscal years beginning after December 15, 2019, with respect to contributions made. Early adoption is permitted.

As of the date of these financial statements, management has evaluated these new ASUs and is working to implement the applicable guidance and requirements in the period the ASUs become effective.

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, 2020, 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 September 13, 2021.

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 to determine the 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.

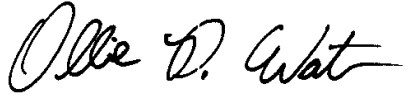
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

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
Moye, Waters and Associates, LLC
Albuquerque, NM
September 13, 2021

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, 2020

Total Units of Service Provided: 5,592.50

	<u>McKinley</u>	<u>McKinley</u>	<u>McKinley</u>	<u>McKinley</u>	<u>Title III-E</u>
	<u>County</u>	<u>County</u>	<u>County</u>	<u>County</u>	<u>McKinley</u>
	<u>State</u>	<u>Federal</u>	<u>Other Rev.</u>	<u>In Kind</u>	<u>County</u>
REVENUE:					
III E AAA State	\$ 83,497	\$ -	\$ -	\$ -	\$ 83,497
III E AAA Federal	-	42,982	-	-	42,982
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	-	-	-	-	-
Total Revenue	83,497	42,982	-	-	126,479
EXPENSES:					
Salaries and Fringe-Direct Care	61,065	45,670	-	-	106,735
Salaries and Fringe-Admin	-	-	-	-	-
Payroll Taxes - FICA	4,672	1,744	-	-	6,416
Payroll Taxes - SUTA	-	-	-	-	-
Payroll Taxes	-	-	-	-	-
Kitchen Supplies	450	-	-	-	450
Health Insurance-Direct Care	-	-	-	-	-
Other Employee Benefits	213	-	-	-	213
Transportation	1,802	-	-	-	1,802
Occupancy	4,500	-	-	-	4,500
Contractual Services	-	-	-	-	-
Meals	2,260	2,130	-	-	4,390
General Liability/Bonding/D & O	1,460	-	-	-	1,460
Vehicle Insurance	750	-	-	-	750
Worker's Comp. Insurance	1,951	-	-	-	1,951
Insurance	-	-	-	-	-
Program Expenses	1,622	-	-	-	1,622
Repairs & Maintenance	-	-	-	-	-
Repairs & Maintenance- Vehicles	1,641	-	-	-	1,641
Repairs & Maintenance-Equip/Built	542	-	-	-	542
Telephone	2,384	983	-	-	3,367
Audit	-	-	-	-	-
Fuel	-	-	-	-	-
General Operating	-	-	-	-	-
Supplies	69	-	-	-	69
Postage	-	-	-	-	-
In-Kind Rent and Supplies	-	-	-	-	-
Background Checks	-	-	-	-	-
Miscellaneous	1,651	-	-	-	1,651
Advertising	-	-	-	-	-
Office Equipment Leasing	-	-	-	-	-
Professional Services	-	-	-	-	-
Staff Training	121	-	-	-	121
Fundraising Expenses	-	-	-	-	-
Interest	-	-	-	-	-
Bad Debt Expense	-	-	-	-	-
Depreciation Expense	-	-	-	-	-
Total Expenses	\$ 87,153	\$ 50,527	\$ -	\$ -	\$ 137,680

Change in Net Assets \$ (11,201)

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, 2020

Total Units of Service Provided: **21,481.50**

	Sandoval County State	Sandoval County Federal	Sandoval County Prg Inc.	Sandoval County Other Rev	Title III-E Sandoval County	Title III-E Total	Other Programs	Total
REVENUE:								
III E AAA State	\$ 68,984	\$ -	\$ -	\$ -	\$ 68,984	\$ 152,481	\$ -	\$ 152,481
III E AAA Federal	-	65,519	-	-	65,519	108,501	-	108,501
Grant Income	-	-	-	-	-	-	945,062	945,062
In-Kind Rent	-	-	-	-	-	-	-	-
In-Kind Activity Supplies	-	-	-	-	-	-	-	-
Program Income	-	-	-	-	-	-	920,913	920,913
Contributions	-	-	-	150	150	150	73,209	73,359
United Way Allocation	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	3,221	3,221
Interest Income	-	-	-	-	-	-	15,674	15,674
Gain on Disposition of Asset	-	-	-	-	-	-	750	750
Event Income	-	-	-	-	-	-	-	-
Unrealized Loss on Investment	-	-	-	-	-	-	(12,437)	(12,437)
Total Revenue	<u>68,984</u>	<u>65,519</u>	<u>-</u>	<u>150</u>	<u>134,653</u>	<u>261,132</u>	<u>1,946,392</u>	<u>2,207,524</u>
EXPENSES:								
Salaries and Fringe-Direct Care	65,685	45,670	-	-	111,355	218,090	1,413,031	1,631,121
Salaries and Fringe-Admin	-	-	-	-	-	-	-	-
Payroll Taxes - FICA	5,048	3,864	-	-	8,912	15,328	103,084	118,412
Payroll Taxes - SUTA	-	-	-	-	-	-	-	-
Payroll Taxes	-	-	-	-	-	-	10,829	10,829
Kitchen Supplies	-	-	-	-	-	450	5,326	5,776
Health Insurance-Direct Care	-	-	-	-	-	-	135,738	135,738
Other Employee Benefits	-	-	-	-	-	213	-	213
Transportation	-	-	-	-	-	1,802	20,284	22,086
Occupancy	1,919	2,079	-	-	3,998	8,498	134,180	142,678
Contractual Services	-	-	-	-	-	-	13,312	13,312
Meals	-	-	-	-	-	4,390	71,778	76,168
General Liability/Bonding/D & O	698	2,198	-	-	2,896	4,356	-	4,356
Vehicle Insurance	3,978	1,147	-	-	5,125	5,875	-	5,875
Worker's Comp. Insurance	4,034	977	-	-	5,011	6,962	-	6,962
Insurance	-	-	-	-	-	-	97,116	97,116
Program Expenses	-	-	-	-	-	1,622	40,539	42,161
Repairs & Maintenance	-	-	-	-	-	-	63,262	63,262
Repairs & Maintenance- Vehicles	-	-	-	-	-	1,641	-	1,641
Repairs & Maintenance-Equip/Builc	-	-	-	-	-	542	-	542
Telephone	323	-	-	-	323	3,690	33,679	37,369
Audit	-	-	-	-	-	-	-	-
Fuel	-	-	-	-	-	-	-	-
General Operating	-	-	-	-	-	-	-	-
Supplies	300	-	-	-	300	369	33,981	34,350
Postage	-	-	-	-	-	-	-	-
In-Kind Rent and Supplies	-	-	-	-	-	-	-	-
Background Checks	-	-	-	-	-	-	-	-
Miscellaneous	5,473	-	-	-	5,473	7,124	11,854	18,978
Advertising	-	-	-	-	-	-	7,541	7,541
Office Equipment Leasing	-	-	-	-	-	-	17,148	17,148
Professional Services	-	-	-	-	-	-	24,145	24,145
Staff Training	-	-	-	-	-	121	2,860	2,981
Fundraising Expenses	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	5,091	5,091
Bad Debt Expense	-	-	-	-	-	-	(1,210)	(1,210)
Depreciation Expense	-	-	-	-	-	-	13,846	13,846
Total Expenses	<u>\$ 87,458</u>	<u>\$ 55,935</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 143,393</u>	<u>\$ 281,073</u>	<u>\$ 2,257,414</u>	<u>\$ 2,538,487</u>
Change in Net Assets					<u>\$ (8,740)</u>	<u>\$ (19,941)</u>	<u>\$ (311,022)</u>	<u>\$ (330,963)</u>

**SHARE YOUR CARE, INC.
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2020**

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:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
N/A	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, 2020**

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

Auditor