

Respite Care of San Antonio, Inc.
and
Respite Care SA Foundation



Audited Financial Statements

Year Ended June 30, 2020

RESPITE CARE OF SAN ANTONIO, INC.
AND
RESPITE CARE SA FOUNDATION
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June 30, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Boards of Directors of
Respite Care of San Antonio, Inc. and
Respite Care SA Foundation

I have audited the accompanying financial statements of Respite Care of San Antonio, Inc. (a non-profit organization) and Respite Care SA Foundation (a nonprofit organization), which comprise the statements 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Respite Care of San Antonio, Inc. and Respite Care SA Foundation as of June 30, 2020, the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.



Roger D. Harrison
Certified Public Accountant
San Antonio, Texas

October 19, 2020

RESPITE CARE OF SAN ANTONIO, INC.
AND
RESPITE CARE SA FOUNDATION
Statements of Financial Position
June 30, 2020

	<u>Respite Care of San Antonio, Inc.</u>	<u>Respite Care SA Foundation</u>	<u>Combined Totals (Memo Only)</u>	<u>June 30, 2019 (Memo Only)</u>
ASSETS				
Cash	\$ 601,777.	\$ 43,581.	645,358.	\$ 385,022.
Investments	-	5,352,802.	5,352,802.	5,705,432.
Accounts Receivables:				
Program Fees	240,886.	-	240,886.	209,339.
United Way Allocation	90,000.	-	90,000.	90,000.
Government Grants	49,560.	-	49,560.	50,280.
Grants	110,500.	-	110,500.	50,000.
Respite Care SA Foundation	<u>170,980.</u>	<u>-</u>	<u>170,980.</u>	<u>410,552.</u>
Total Accounts Receivable	661,926.	-	661,926.	810,171.
Prepaid Expenses and Deposits	55,616.	-	55,616.	69,183.
Property and Equipment (net of accumulated depreciation of \$1,908,626 in 2020)	<u>3,165,913.</u>	<u>-</u>	<u>3,165,913.</u>	<u>3,244,849.</u>
TOTAL ASSETS	<u>\$ 4,485,232.</u>	<u>\$ 5,396,383.</u>	<u>\$ 9,881,615.</u>	<u>\$ 10,214,657.</u>
LIABILITIES AND NET ASSETS				
Accounts Payable and Accrued Expenses	\$ 305,313.	\$ 15,000.	\$ 320,313.	\$ 260,599.
Respite Care of San Antonio, Inc.	-	170,980.	170,980.	410,552.
Note Payable	<u>530,200.</u>	<u>-</u>	<u>530,200.</u>	<u>-</u>
TOTAL LIABILITIES	835,513.	185,980.	\$ 1,021,493.	671,151.
NET ASSETS				
Without Donor Restrictions	3,389,831.	3,397,144.	6,786,975.	7,346,084.
With Donor Restrictions	<u>259,888.</u>	<u>1,813,259.</u>	<u>2,073,147.</u>	<u>2,197,422.</u>
TOTAL NET ASSETS	<u>3,649,719.</u>	<u>5,210,403.</u>	<u>8,860,122.</u>	<u>9,543,506.</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,485,232.</u>	<u>\$ 5,396,383.</u>	<u>\$ 9,881,615.</u>	<u>\$ 10,214,657.</u>

See notes to financial statements.

RESPITE CARE OF SAN ANTONIO, INC.
AND RESPITE CARE SA FOUNDATION
Statements of Activities
Year ended June 30, 2020

	<u>Respite Care of San Antonio, Inc.</u>	<u>Respite Care SA Foundation</u>	<u>Combined Totals (Memo Only)</u>	<u>June 30, 2019 (Memo Only)</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS				
Revenue and Support:				
Contributions and grants	\$ 1,220,920.	\$ -	\$ 1,220,920.	\$ 944,639.
Federal, state and local government grants	260,188.	-	260,188.	398,893.
Special fund-raising event (net of direct expenses of \$28,649 in 2020)	350,000.	-	350,000.	256,182.
Program fees	1,343,000.	-	1,343,000.	1,612,552.
Investment return, net	-	51,777.	51,777.	229,097.
Net asset released from restrictions:				
United Way allocation	90,000.	-	90,000.	298,327.
Designated Expenditures	<u>294,163.</u>	<u>-</u>	<u>294,163.</u>	<u>175,000.</u>
Total Revenue and Support	3,558,271.	51,777.	3,610,048.	3,914,690.
Transfer from Foundation	<u>-</u>	<u>-</u>	<u>-</u>	<u>221,255.</u>
Total Revenue, Support & Transfer	3,558,271.	51,777.	3,610,048.	4,135,945.
Expenses:				
Program	3,394,370.	-	3,394,370.	3,504,633.
General and administrative	373,036.	22,997.	396,033.	406,760.
Fund-raising	<u>208,866.</u>	<u>-</u>	<u>208,866.</u>	<u>180,279.</u>
Total Expenses	<u>3,976,272.</u>	<u>22,997.</u>	<u>3,999,269.</u>	<u>4,091,672.</u>
Transfer to Respite Care	<u>(418,001)</u>	<u>28,780.</u>	<u>(389,221)</u>	<u>44,273.</u>
	<u>-</u>	<u>(169,888)</u>	<u>(169,888)</u>	<u>(490,418)</u>
DECREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(418,001)	(141,108)	(559,109)	(446,145)
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS				
Contributions for designated expenditures	-	-	-	25,000.
United Way allocation for next year	90,000.	-	90,000.	90,000.
Net assets released from restrictions:				
United Way allocation	(90,000)	-	(90,000)	(298,327)
Designated Expenditures	<u>(294,163)</u>	<u>-</u>	<u>(294,163)</u>	<u>(175,000)</u>
	(294,163)	-	(294,163)	(358,327)
Transfer from Foundation	<u>169,888.</u>	<u>-</u>	<u>169,888.</u>	<u>269,163.</u>
DECREASE IN NET ASSETS WITH DONOR RESTRICTIONS	(124,275)	-	(124,275)	(89,164)
DECREASE IN NET ASSETS	(542,276)	(141,108)	(683,384)	(535,309)
Net assets at beginning of year	<u>4,191,995.</u>	<u>5,351,511.</u>	<u>9,543,506.</u>	<u>10,078,815.</u>
NET ASSETS AT END OF YEAR	<u>\$ 3,649,719.</u>	<u>\$ 5,210,403.</u>	<u>\$ 8,860,122.</u>	<u>\$ 9,543,506.</u>

See notes to financial statements.

RESPITE CARE OF SAN ANTONIO, INC.
Statement of Functional Expenses
Year Ended June 30, 2020

	Program Services					General and Administrative	Fund- Raising	Total	<i>June 30, 2019 (Memo Only)</i>
	Respite House	Day-Out Care	Day Care	Foster Care	Total				
Salaries and Benefits	\$ 1,399,608.	\$ 248,348.	\$ 590,899.	\$ 100,879.	\$ 2,339,734.	\$ 177,106.	\$ 192,567.	\$ 2,709,407.	\$ 2,730,912.
Independent Contractors	405,691.	-	117,034.	-	522,725.	-	-	522,725.	507,500.
Repairs and Maintenance	40,722.	1,445.	15,254.	8,516.	65,937.	7,183.	-	73,120.	153,228.
Depreciation	86,531.	-	19,200.	27,134.	132,865.	15,452.	-	148,317.	148,184.
Supplies and Food	97,574.	890.	19,756.	-	118,220.	9,842.	-	128,062.	119,343.
Insurance	50,684.	772.	11,058.	13,573.	76,087.	15,140.	599.	91,826.	99,795.
Utilities	28,904.	1,183.	24,468.	7,034.	61,589.	7,361.	-	68,950.	84,060.
Dues and Conferences	11,182.	843.	1,449.	590.	14,064.	36,845.	-	50,909.	53,426.
Telephone	14,589.	1,172.	5,719.	2,608.	24,088.	40,969.	-	65,057.	49,976.
Rent	-	1,750.	9,000.	-	10,750.	14,893.	-	25,643.	49,080.
Travel and Auto	19,904.	-	49.	814.	20,767.	391.	-	21,158.	34,807.
Professional Fees	4,115.	-	-	700.	4,815.	30,846.	15,700.	51,361.	20,183.
Miscellaneous	<u>592.</u>	<u>177.</u>	<u>1,960.</u>	<u>-</u>	<u>2,729.</u>	<u>17,008.</u>	<u>-</u>	<u>19,737.</u>	<u>18,222.</u>
Total Expense	<u>\$ 2,160,096.</u>	<u>\$ 256,580.</u>	<u>\$ 815,846.</u>	<u>\$ 161,848.</u>	<u>\$ 3,394,370.</u>	<u>\$ 373,036.</u>	<u>\$ 208,866.</u>	<u>\$ 3,976,272.</u>	<u>\$ 4,068,716.</u>
<i>June 30, 2019 (Memo Only)</i>	<u>\$ 2,183,106.</u>	<u>\$ 176,261.</u>	<u>\$ 907,137.</u>	<u>\$ 238,129.</u>	<u>\$ 3,504,633.</u>	<u>\$ 383,804.</u>	<u>\$ 180,279.</u>	<u>\$ 4,068,716.</u>	

See notes to financial statements.

RESPITE CARE OF SAN ANTONIO, INC.
AND
RESPITE CARE SA FOUNDATION
Statements of Cash Flows
Year Ended June 30, 2020

	<u>Respite Care of San Antonio, Inc.</u>	<u>Respite Care SA Foundation</u>	<u>Combined Totals (Memo Only)</u>	<u>June 30, 2019 (Memo Only)</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Decrease in net assets	\$ (542,276)	\$ (141,108)	\$ (683,384)	\$ (535,309)
Adjustments to reconcile change in net assets to net cash provided by operating activities:				
Unrealized (Appreciation) Depreciation of Investments	-	136,883.	136,883.	90,089.
Depreciation	148,317.	-	148,317.	148,184.
Change in operating assets:				
Decrease in receivables	148,245.	-	148,245.	403,828
(Increase) decrease in prepaid expenses and deposits	13,567.	-	13,567.	(16,247)
Increase (decrease) in payables	<u>44,714.</u>	<u>(224,572)</u>	<u>(179,858)</u>	<u>(109,121)</u>
NET CASH USED BY OPERATING ACTIVITIES	(187,433)	(228,797)	(416,230)	(18,576)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of investment securities	-	(1,771,187)	(1,771,187)	(2,002,968)
Basis of investment securities sold	-	1,986,934.	1,986,934.	2,153,705
Property and equipment additions	<u>(69,381)</u>	<u>-</u>	<u>(69,381)</u>	<u>(295,637)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(69,381)	215,747.	146,366.	(144,900)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Increase in Notes Payable	<u>530,200.</u>	<u>-</u>	<u>530,200.</u>	<u>-</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>530,200.</u>	<u>-</u>	<u>530,200.</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH	273,386.	(13,050)	260,336.	(163,476)
CASH AT BEGINNING OF YEAR	<u>328,391.</u>	<u>56,631.</u>	<u>385,022.</u>	<u>548,498.</u>
CASH AT END OF YEAR	<u>\$ 601,777.</u>	<u>\$ 43,581.</u>	<u>\$ 645,358.</u>	<u>\$ 385,022.</u>

See notes to financial statements.

RESPITE CARE OF SAN ANTONIO, INC.
AND
RESPITE CARE SA FOUNDATION
Notes to Financial Statements
June 30, 2020

NOTE A - ORGANIZATION

Respite Care of San Antonio, Inc. is a non-profit, United Way Agency providing respite programs for persons with developmental disabilities. The Organization was founded in 1987. It is located in San Antonio, Texas, and services clients in that immediate area. The Organization provides facility based respite and host family respite care for qualified families.

The Respite Care SA Foundation is a non-profit organization formed in 2001 to hold and invest the endowment funds of Respite Care of San Antonio, Inc. Although it has a separate governing Board of Directors, its sole purpose is to provide support to Respite Care of San Antonio, Inc.

The combined totals for the two Organizations presented in these financial statements are captioned "memo only" and are presented for informational purposes to facilitate financial analysis and comparison. The combined totals are not intended to represent a consolidation of the two Organization's financial position, results of operations and cash flows in accordance with generally accepted accounting principles.

NOTE B – SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affected certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Property and Equipment

Property, vehicles and equipment are stated at cost. Depreciation is provided on a straight-line basis over 40 years for the houses and 5 years for vehicles and equipment.

Contributions

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

Unconditional Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

RESPITE CARE OF SAN ANTONIO, INC.
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Notes to Financial Statements
June 30, 2020

NOTE B – SIGNIFICANT ACCOUNTING POLICIES, continued

Investments and Fair Value Measurement

The Organizations report investments at their fair values in the statement of financial position. Investment income net of expenses is reported as increases in net assets without donor restrictions in the statement of activities.

Fair values for the Organization’s investments are determined using the following methodology and hierarchy which prioritizes the inputs for valuation. The three levels of input are:

- Level 1 – Unadjusted quoted price in active markets for identical assets and liabilities.
- Level 2 – Observable inputs other than quoted prices that can be applied either directly or indirectly. These inputs may include quoted prices for similar assets, interest rates, prepayment speeds, credit risk, yield curves, default risk and similar data.
- Level 3 – Unobservable inputs, to the extent observable inputs are not available, representing the Organization’s assumptions about assumptions a market participant would use in valuing the investment and would be based upon the best information available.

Income Taxes

The Organizations are qualified as tax-exempt under § 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes.

The Organization’s Form 990, Return of Organization Exempt from Income Tax are subject to examination by the IRS, generally for three years after their filing date.

Cash and Cash Equivalents

Respite Care of San Antonio, Inc. considers all highly liquid investments with original maturities of three months or less to be cash equivalents for cash flow purposes.

Date of Management Review

Subsequent events have been evaluated through October 19, 2020, which is the date the financial statements were available to be issued.

Memorandum Totals

The June 30, 2020 and 2019 totals are captioned “Memo Only” to indicate that they are presented only to facilitate financial analysis and comparison and are not intended to present all information necessary for a fair presentation of 2020 and 2019 information in accordance with generally accepted accounting principles.

RESPITE CARE OF SAN ANTONIO, INC.
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RESPITE CARE SA FOUNDATION
Notes to Financial Statements
June 30, 2020

NOTE C - DONATED SPACE AND SERVICES

Spaces for the “Friday Night Out” programs and for the Saturday “Family Day Out” programs are made available at a discounted rent by Christ Episcopal Church and ARC of San Antonio (\$200 per month short-term month-to-month lease).

Space for the five day per week “Day Care” program is made available at a discounted rent (\$1,000 per month, short term month-to-month lease and \$2,500 per month utility reimbursement) by Christ Episcopal Church. No amounts have been recognized in the statements for the market value of this rental space. A large number of volunteers, including members of the board, have given significant amounts of their time to both organizations’ programs, special events and management. No amounts have been recognized in the statements for such donated services since no objective basis is available to measure their value.

NOTE D – INVESTMENTS AND FAIR VALUE MEASUREMENT

Respite Care SA Foundation’s investments are stated at fair value. Cost and fair value at June 30, 2020 are as follows:

	<u>Cost</u>	<u>Fair Value</u>
Equity Securities	\$ 2,140,872.	\$ 2,594,898.
Mutual Funds – Equities	581,554.	752,913.
Mutual Funds - Bonds	273,478.	284,326.
Corporate Bonds	522,673.	535,427.
Municipal Bonds	<u>1,155,744.</u>	<u>1,185,238.</u>
	<u>\$ 4,674,321.</u>	<u>\$ 5,352,802.</u>

The fair value measurements and levels within the fair value hierarchy of those measurements for investments reported at fair value at June 30, 2020 are as follows:

<u>Description</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equity Securities	\$ 2,594,698.	\$ 2,594,898.	\$ -	\$ -
Mutual Funds - Equities	752,913.	752,913.	-	-
Mutual Funds - Bonds	284,326.	284,326.	-	-
Corporate Bonds	535,427.	-	535,427.	-
Municipal Bonds	<u>1,185,238.</u>	<u>-</u>	<u>1,185,238.</u>	<u>-</u>
	<u>\$ 5,352,802.</u>	<u>\$ 3,632,137.</u>	<u>\$ 1,720,665.</u>	<u>\$ -</u>

RESPITE CARE OF SAN ANTONIO, INC.

AND

RESPITE CARE SA FOUNDATION

Notes to Financial Statements

June 30, 2020

NOTE D – INVESTMENTS AND FAIR VALUE MEASUREMENT, continued

The Level 2 fair values are obtained from an independent pricing service. The observable inputs used to value these securities were bond term, interest rate and the credit rating.

NOTE E – FUNCTIONAL EXPENSES

Respite Care SA Foundation's general and administrative expenses for the year ended June 30, 2020 were professional fees of \$4,000, bank charges of \$3,457, insurance expenses of \$540, and employee benefits of \$15,000.

NOTE F – PROPERTY AND EQUIPMENT

The Organization's property and equipment consists of the following:

	<u>Cost</u>	<u>Accumulated Depreciation</u>
Davidson Respite House	\$ 2,122,974.	\$ 967,561.
Tracy Wolff Respite Home	421,324.	120,049.
Mr. B Family Foster Home	346,910.	87,084.
Najim Respite Home	771,507.	182,409.
HEB Family Foster Home	365,933.	51,514.
Dawson Center	143,323.	13,169.
Leasehold Improvements	384,000.	75,200.
Equipment	329,779.	270,574.
Vehicles	<u>188,789.</u>	<u>141,066.</u>
Total	<u>\$ 5,074,539.</u>	<u>\$ 1,908,626.</u>

NOTE G – NET ASSETS WITH DONOR RESTRICTIONS

Respite Care of San Antonio, Inc.'s net assets with donor restrictions at June 30, 2020 consisted of the \$90,000 fiscal 2021 United Way allocation included in accounts receivable, and the \$169,888 allocation of earnings from Respite Care of SA Foundation which are designated for fiscal 2021 expenses included in accounts receivable.

NOTE H – NET ASSETS WITHOUT DONOR RESTRICTIONS

Respite Care of San Antonio, Inc. has the following net assets without donor restrictions at June 30, 2020:

Accumulated net earnings	\$ 223,918.
Invested in fixed assets	<u>3,165,913.</u>
	<u>\$ 3,389,831.</u>

RESPITE CARE OF SAN ANTONIO, INC.
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Notes to Financial Statements
June 30, 2020

NOTE H – NET ASSETS WITHOUT DONOR RESTRICTIONS, continued

All of the Organization's fixed assets were acquired with funds that were designated for capital improvements.

NOTE I – ENDOWMENT

Respite Care SA Foundation accounts for its Endowment in accordance with the Uniform Prudent Management of Institutional Funds Act (UPMIFA). This requires the preservation of the fair value of the original gift as of the gift date of donor-restricted endowment funds absent explicit donor stipulations to the contrary. The Organization classifies as net assets with donor restrictions the original value of gifts donated to the permanent endowment and the original value of subsequent gifts to the permanent endowment. Cash earnings net of expenses, gains and losses from the sale of endowment investments, and the unrealized gains and loss from the appreciation or depreciation in the fair value of endowment investments are classified as net assets without donor restrictions until those amounts are allocated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to allocate or accumulate the earnings on endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

The Organization has adopted investment and spending policies for endowment assets that attempt to subject the fund to low investment risk and provide current income. The Organization also seeks to build endowment assets through additional contributions.

The Foundation has established a policy which allocates 75% of annual dividends, interests, and realized gains to Respite Care of San Antonio, Inc. for expenditure in the following fiscal year. \$169,888 has been allocated for 2021 expenditures.

RESPITE CARE OF SAN ANTONIO, INC.
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RESPITE CARE SA FOUNDATION
Notes to Financial Statements
June 30, 2020

NOTE I – ENDOWMENT, continued

The changes in the individual endowment fund accounts for the year ended June 30, 2020 are as follows:

	<u>With Donor Restrictions</u>	<u>Without Donor Restrictions</u>			
	<u>Contributions</u>	Board Designated Funds	Unrealized Earnings	Realized Earnings	<u>Total</u>
Balance 7/1/19	\$ 1,813,259.	\$ 1,434,287.	\$ 815,364.	\$ 1,288,601.	\$ 5,351,511.
Additions:					
Contributions	-	-	-	-	-
Earnings:					
Int. & Div.	-	-	-	148,064.	148,064.
Realized Gains	-	-	-	78,454.	78,454.
Unrealized Gain/Loss	-	-	(136,883)	-	(136,883)
Invest. Expenses	-	-	-	(37,858)	(37,858)
G & A Expenses	-	-	-	(22,997)	(22,997)
	-	-	(136,883)	165,663.	28,780.
Deductions:					
2021 Allocation	-	-	-	(169,888)	(169,888)
Balance 6/30/20	<u>\$ 1,813,259.</u>	<u>\$ 1,434,287.</u>	<u>\$ 678,481.</u>	<u>\$ 1,284,376.</u>	<u>\$ 5,210,403.</u>

NOTE J – LEASES

The Organization leases certain computer/print/copy equipment under a 5 year operating lease through June 2024 which requires monthly lease payments of \$1,478.

RESPITE CARE OF SAN ANTONIO, INC.
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RESPITE CARE SA FOUNDATION
Notes to Financial Statements
June 30, 2020

NOTE K – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organizations’ financial assets as of the balance sheet date available for general use within one year:

	<u>Respice Care of San Antonio, Inc.</u>	<u>Respice Care SA Foundation</u>
Net assets without donor restrictions:		
Accumulated earnings	\$ 223,918.	\$ 1,284,376.
Forgiveness of Note Payable	530,200.	-
Net assets with donor restrictions:		
2021 United Way allocation	90,000.	-
2021 Foundation allocation	<u>169,888.</u>	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,014,006.</u>	<u>\$ 1,284,376.</u>

NOTE L – NOTE PAYABLE

The Organization borrowed \$530,200 from Broadway National Bank on April 16, 2020 as part of the Paycheck Protection Program administered by the Small Business Administration under the CARES Act. The loan proceeds are to be used to retain workers and maintain payroll for a 24 week period after loan funding. The note bears interest at 1% and is due April 16, 2022. The loan is eligible for forgiveness assuming the proceeds are properly used for their designated purposes. The Organization has not yet applied for forgiveness; however, management believes that the Organization has complied with all requirements and the loan will be forgiven. The \$530,200 will be recorded as a government grant in the Statement of Activities at that time.