

CENTER FOR RESPITE CARE, INC.
FINANCIAL STATEMENTS
For the Years Ended March 31, 2015 and 2014

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CENTER FOR RESPITE CARE, INC.

BOARD OF DIRECTORS

For the Year Ended March 31, 2015

Board of Directors

Tom Tillar
Chair

Diana Klinedinst
Past Chair

Cary D. Hines, CPA
Chair-Elect

Robert L. Hauser, CPA
Treasurer

Larry A. Neuman
Secretary

Bill Bagley

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Ruby Crawford-Hemphill, RNC, BSN, MSA

James Jones

Gary Karg

Joseph Kiesler, MD

Mark Manley, MD

Dionne Porter

Martha Schueler

Marcia Spaeth

Administration

Laurel Nelson
Chief Executive Officer

Independent Auditor's Report

To the Board of Directors of the
Center for Respite Care, Inc.
Cincinnati, Ohio

We have audited the accompanying financial statements of the Center for Respite Care, Inc. (a nonprofit organization), which comprise the statement of financial position as of March 31, 2015, and the related statement 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain 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 the Center for Respite Care, Inc. as of March 31, 2015, and the changes in its net position, its functional expenses and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



Van Gorder, Walker & Co., Inc.
Certified Public Accountants

Other Matters

These financial statements are presented in comparative format with financial statements for the fiscal year ended March 31, 2014, audited by Edward H. Aug, CPA, who expressed an unmodified opinion. There were no *Emphasis of Matter* or *Other Matters* paragraphs included in the predecessor's audit report dated January 29, 2015.

Van Gorder, Walker + Co., Inc.

Van Gorder, Walker, & Co., Inc.
Erlanger, Kentucky
August 27, 2015

Center for Respite Care, Inc. Statements of Financial Position March 31, 2015 and 2014

ASSETS	2015	2014
CURRENT ASSETS		
Cash and cash equivalents	\$ 373,288	\$ 199,594
Grants Receivable	50,301	66,600
Prepaid and other assets	<u>3,475</u>	<u>4,705</u>
TOTAL CURRENT ASSETS	<u>427,064</u>	<u>270,899</u>
Property and equipment, net of depreciation	-	-
Equipment under capital lease, net of amortization	<u>3,395</u>	<u>4,366</u>
TOTAL PROPERTY AND EQUIPMENT, NET	<u>3,395</u>	<u>4,366</u>
TOTAL ASSETS	<u>\$ 430,459</u>	<u>\$ 275,265</u>
 LIABILITIES AND NET POSITION		
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	\$ 18,016	\$ 10,789
Accrued payables	35,340	47,258
Capital lease - current portion	<u>1,609</u>	<u>1,609</u>
TOTAL CURRENT LIABILITIES	<u>54,965</u>	<u>59,656</u>
LONG TERM LIABILITIES		
Capital lease - long term portion	<u>222</u>	<u>1,816</u>
TOTAL LONG TERM LIABILITIES	<u>222</u>	<u>1,816</u>
NET POSITION		
Unrestricted	325,272	213,793
Temporarily restricted	<u>50,000</u>	<u>-</u>
TOTAL NET POSITION	<u>375,272</u>	<u>213,793</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 430,459</u>	<u>\$ 275,265</u>

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

CENTER FOR RESPITE CARE, INC. STATEMENTS OF ACTIVITIES For the Years Ended March 31, 2015 and 2014

UNRESTRICTED NET POSITION

	2015	2014
SUPPORT		
Government grants, HUD	\$ 445,982	\$ 410,932
Health care organization grants	165,773	260,250
Foundation grants	113,000	164,932
Annual campaign and other contributions	290,326	176,502
In-kind donations	66,000	66,600
Fees and other income	14,266	22,051
Special events, net of expenses	<u>121,240</u>	<u>85,386</u>
TOTAL SUPPORT	<u>1,216,587</u>	<u>1,186,653</u>
NET POSITION RELEASED FROM RESTRICTIONS		
RESTRICTIONS SATISFIED BY PAYMENTS	<u>73,973</u>	<u>39,057</u>
TOTAL SUPPORT AND RECLASSIFICATIONS	<u>1,290,560</u>	<u>1,225,710</u>
EXPENSES		
Program services	1,057,072	991,147
Management and general	46,256	62,112
Fund raising	<u>75,753</u>	<u>98,534</u>
TOTAL EXPENSES	<u>1,179,081</u>	<u>1,151,793</u>
INCREASE IN UNRESTRICTED NET POSITION	<u>111,479</u>	<u>73,917</u>
TEMPORARILY RESTRICTED NET POSITION		
Funding to be satisfied by future payments and expiration of time	123,973	-
NET POSITION RELEASED FROM RESTRICTIONS		
Restricted funding satisfied by payments	<u>(73,973)</u>	<u>(39,057)</u>
INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET POSITION	<u>50,000</u>	<u>(39,057)</u>
INCREASE IN NET POSITION	161,479	34,860
NET POSITION AT BEGINNING OF YEAR	<u>213,793</u>	<u>178,933</u>
NET POSITION AT END OF YEAR	<u>\$ 375,272</u>	<u>\$ 213,793</u>

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

CENTER FOR RESPITE CARE, INC. STATEMENT OF FUNCTIONAL EXPENSES For the Year Ended March 31, 2015

	Program	Management and General	Fund Raising	Total Expenses
Personnel Costs	\$ 581,861	\$ 39,840	\$ 35,904	\$ 657,605
Operating Expenses				
Client meals	55,985	-	-	55,985
Client personal needs	4,459	-	-	4,459
Client transportation	6,009	-	-	6,009
Client leasing / housing program	255,380	-	-	255,380
Client medications, medical supplies, labs	3,649	-	-	3,649
Other client costs	11,828	1,843	486	14,157
Bank fees	1,208	67	67	1,342
Facility costs	33,627	846	846	35,319
Fundraising	-	-	7,272	7,272
Insurance	2,355	131	131	2,617
Interest	333	18	18	369
Office supplies	13,310	739	739	14,788
Other expenses	2,747	139	844	3,730
Printing and postage	1,678	50	1,875	3,603
Professional fees	13,733	689	27,108	41,530
Travel	2,038	1,845	414	4,297
In-kind expenses	66,000	-	-	66,000
Total Operating Expenses	474,339	6,367	39,800	520,506
Depreciation and amortization expense	872	49	49	970
Total Expenses	\$ 1,057,072	\$ 46,256	\$ 75,753	\$ 1,179,081

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

CENTER FOR RESPITE CARE, INC. STATEMENT OF FUNCTIONAL EXPENSES For the Year Ended March 31, 2014

	Program	Management and General	Fund Raising	Total Expenses
Personnel Costs	\$ 511,362	\$ 35,299	\$ 63,982	\$ 610,643
Operating Expenses				
Client meals	58,406	-	-	58,406
Client personal needs	7,169	-	-	7,169
Client transportation	5,965	-	-	5,965
Client leasing / housing program	273,597	-	-	273,597
Client medications, medical supplies, labs	5,037	-	-	5,037
Other client costs	31,211	-	-	31,211
Facility costs	26,949	1,805	3,364	32,118
Fundraising	-	-	30,441	30,441
Insurance	2,036	113	113	2,262
Other expenses	-	4,325	-	4,325
Professional fees	2,350	19,752	585	22,687
Travel	-	600	-	600
In-kind expenses	66,600	-	-	66,600
Total Operating Expenses	479,320	26,595	34,503	540,418
Depreciation and amortization expense	465	218	49	732
Total Expenses	\$ 991,147	\$ 62,112	\$ 98,534	\$ 1,151,793

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

CENTER FOR RESPITE CARE, INC. STATEMENTS OF CASH FLOWS For the Years Ended March 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net position	\$ 161,479	\$ 34,860
Adjustments to reconcile increase (decrease) in net position in net assets to net cash provided by operating activities:		
Depreciation	-	247
Amortization of capital lease	971	485
Change in assets and liabilities:		
Grants receivable	16,299	2,309
Prepays and other assets	1,230	405
Accounts payable	7,227	(362)
Accrued expenses	(11,918)	(3,754)
Net cash provided by operating activities	<u>175,288</u>	<u>34,190</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	-	-
Purchase of fixed assets	-	-
Proceeds from sale of investments	-	-
Net cash provided by investing activities	<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on capital lease	(1,594)	(1,426)
Net cash provided by (used for) financing activities	<u>(1,594)</u>	<u>(1,426)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	173,694	32,764
BEGINNING CASH AND CASH EQUIVALENTS	<u>199,594</u>	<u>166,830</u>
ENDING CASH AND CASH EQUIVALENTS	<u>\$ 373,288</u>	<u>\$ 199,594</u>

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

CENTER FOR RESPITE CARE, INC. NOTES TO FINANCIAL STATEMENTS March 31, 2015 and 2014
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ORGANIZATION

The Center for Respite Care, Inc. is a 24-hour facility providing medical and nursing care to sick homeless people to promote effective healing. Clients receive quality, holistic medical care and assistance in resolving the issues keeping them homeless.

Clients requiring medical recovery are referred from area hospitals or are admitted directly from homeless shelters by the medical staff of the Health Care for the Homeless Program. Key elements of the program include:

1. Meeting immediate needs of homeless — Respite provides a bed, three healthy meals each day, showers, laundry facilities and clothing as needed;
2. Medical care — Medical care includes medical evaluation, limited lab testing, nursing care, health education, coordination of medications, medical and mental health follow-up care or surgeries.
3. Transition to Self Sufficiency — Case manager creates plan of care and refers clients to services available through existing agencies in the community, i.e., services not duplicated, and helps place clients in stable housing. Respite receives a HUD Permanent Housing Grant for disabled clients. The grant provides rental assistance and case management while clients are assisted in securing disability entitlements or employment.

The Center is a non-profit organization exempt from tax under Internal Revenue Code Section 501(c)3 and the Internal Revenue Service has determined the Center is not a “private foundation” within the meaning of Section 509(a) of the Code. There was no unrelated business income at March 31, 2015 or 2014.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

The financial statements have been prepared on the accrual basis of accounting.

Cash and Cash Equivalents

For purposes of the statements of financial position and cash flows, the Center considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Fair Values of Financial Instruments

The following methods and assumptions were used by the Center in estimating its fair value disclosures for financial instruments:

Cash and cash equivalents: The carrying amounts reported in the statements approximate fair values because of the short maturities of those instruments, usually 90 days or less.

Short-term investments: The fair values of investments are based on quoted market prices for those or similar investments.

CENTER FOR RESPITE CARE, INC. NOTES TO FINANCIAL STATEMENTS March 31, 2015 and 2014
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Accounts Receivable

No allowance for doubtful accounts is required at year-end.

Property and Depreciation

Property is stated at cost at the date of acquisition or fair market value at the date of the gift. These assets are depreciated using the straight-line method over the estimated useful life of the asset, generally three to five years for furniture and equipment, and forty years for real estate. Fixed assets over \$2,000 are capitalized.

Programs

The program groupings shown in the financial statements are *Medical Recovery* which includes supervised post-hospital recovery for indigent individuals or individuals who may not otherwise receive the necessary recovery care and *Housing Support*, which is encompassed by HUD's supported living program.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net position classes. When temporary restriction expires, temporarily restricted net position are reclassified to unrestricted net position and reported in the statement of activities as net position released from restrictions.

Functional Expenses

Salaries and related expenses are charged to program services based on the estimated time spent by personnel on the various programs. Expenses are charged directly to a program when the expenses are specifically identifiable with the program. Other expenses are allocated to the various programs based on budgeted amounts allowed by the funding source.

Estimates

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

Concentration

Grants from federal, state, and local government agencies provide 34.6 percent and 32.5 percent of the Center's funding for the years ended March 31, 2015 and 2014, respectively.

CENTER FOR RESPITE CARE, INC. NOTES TO FINANCIAL STATEMENTS March 31, 2015 and 2014
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Net Position

Unrestricted Net Position – Assets that are not subject to donor-imposed stipulations and may be utilized at the discretion of the Board of Trustees to support the Center's purposes and operations.

Temporarily Restricted Net Position – Assets subject to donor-imposed stipulations that will be met either by actions of the Center satisfying the purpose or the passage of time. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net position are reclassified to unrestricted net position and reported in the statement of activities as net position released from restrictions. Donations having donor restrictions which are satisfied in the period the donation was received are reported as unrestricted revenue and net position. Temporarily restricted net position as of March 31, 2015 and 2014 are \$50,000 and \$0, respectively.

Permanently Restricted Net Position– Assets for which the donor has stipulated that the principal *be maintained* in perpetuity and that only the income from the investment thereof be expended either for the general purpose of the Center or for purposes specified by the donor. There are no permanently restricted net position as of March 31, 2015 or 2014.

Donations In-kind

Donated services and goods are reflected in the accompanying financial statements at an estimate of their fair market value. Amounts are not recorded for donated services and goods if no objective basis is available to measure the value of such services.

NOTE B – GRANTS RECEIVABLE

Grants receivable at June 30, 2015 and 2014 are due from HUD, the City of Cincinnati, and several local non-profit organizations. Total grants receivable as of March 31, 2015 and 2014 were \$50,301 and \$66,600, respectively.

NOTE C – PROPERTY AND EQUIPMENT

Property and Equipment includes:

Asset Type	Balance March 31, 2014	Additions	Deletions	Balance March 31, 2015
Furniture & equipment	\$ 4,851	\$ -	\$ -	\$ 4,851
Medical equipment	2,474	-	-	2,474
Subtotal	7,325	-	-	7,325
Less: accumulated depreciation	(7,325)	-	-	(7,325)
	\$ -	\$ -	\$ -	\$ -

CENTER FOR RESPITE CARE, INC. NOTES TO FINANCIAL STATEMENTS March 31, 2015 and 2014
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NOTE D – CAPITAL LEASES

The company entered into a capital lease of its phone system during the year ending March 31, 2014. The asset balance as of March 31, 2015 is:

Capital lease equipment	\$ 4,851
Less: accumulated amortization	(1,456)
Capital lease equipment, net	<u>\$ 3,395</u>

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of March 31, 2015:

Year Ended March 31,	Amount
2016	\$ 1,938
Net minimum lease	1,938
Less: Amount representing interest	(107)
Present value of net minimum lease payments	<u>\$ 1,831</u>

The amount representing interest is the amount necessary to reduce net minimum lease payments to present value calculated at the Company's incremental borrowing rate of 12.18% at inception of the lease. The present value of net minimum lease payments is shown in the Statement of Financial Position as current and noncurrent obligations under capital leases of \$1,609 and \$222, respectively.

NOTE E – RESTRICTIONS ON NET POSITION

The restrictions on net position at June 30, 2014 and 2013 relate to funding the Center will receive in the next fiscal year(s). The following is a schedule of temporarily restricted net position that will become available during the periods listed:

Funds Becoming Available in:	Temporarily Restricted At:	
	March 31, 2015	March 31, 2014
FY 2014-15		\$ -
Based on Restriction	\$ 50,000	-
Total Temporarily Restricted	<u>\$ 50,000</u>	<u>\$ -</u>

Assets released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors:

Program Served	Assets Released From Restriction	
	March 31, 2015	March 31, 2014
Medical Recovery Program	\$ 46,473	\$ 14,180
Housing Program	27,500	24,877
Total Assets Released From Restrictions	<u>\$ 73,973</u>	<u>\$ 39,057</u>

CENTER FOR RESPITE CARE, INC. NOTES TO FINANCIAL STATEMENTS March 31, 2015 and 2014
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The Center has no permanently restricted net position.

NOTE F – LINE OF CREDIT

The Center has a line of credit with a bank for \$50,000. The amount outstanding on the line of credit was \$0 and \$0, respectively. The line has an annual \$175 fee and a variable interest rate of 6.250%.

NOTE G – DONATED SERVICES

For the years ended March 31, 2015 and March 31, 2014, \$66,000 and \$66,600 respectively, was recognized for the donated services of the physician. The physician's donated services are funded through Cincinnati Health Network, Inc.'s Healthcare for the Homeless Program.

NOTE H – FUND RAISING ACTIVITIES

Special event revenue for the year ended March 31, 2015 of \$141,361 is shown net of expenses of \$20,121.

NOTE I – RECLASSIFICATION OF PRIOR YEAR FINANCIAL STATEMENTS

We have reclassified certain amounts from the March 31, 2014 financial statements to match the current year presentation. There were no changes to statement totals.

NOTE J – SUBSEQUENT EVENTS

Management has evaluated events through August 27, 2015, the date on which the financial statements were available for issue. The Center had no subsequent events from March 31, 2015 through August 27, 2015 to disclose.