

**CENTER FOR RESPITE CARE, INC.**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2010**

**WITH REPORT OF**  
**INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

**EDWARD H. AUG**  
**CERTIFIED PUBLIC ACCOUNTANT**

**CENTER FOR RESPITE CARE, INC.**

**FINANCIAL STATEMENTS**

**Years Ended March 31, 2010 and 2009**

**TABLE OF CONTENTS**

	<b><u>Page(s)</u></b>
Report of Independent Certified Public Accountants	1
Financial Statements:	
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
Statements of Functional Expenses	5-6
Notes to Financial Statements	7-10

Edward H. Aug  
Certified Public Accountant  
4410 Schulte Drive • Cincinnati, OH 45205  
(513) 471-1234 Phone • (513) 471-1003 Fax  
E-mail: edaug@fuse.net

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statement of financial position of Center for Respite Care, Inc. (a non-profit organization) as of March 31, 2010 and 2009, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. 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. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to in the preceding present fairly, in all material respects, the financial position of Center for Respite Care, Inc. as of March 31, 2010 and 2009 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Edward H. Aug, CPA*

Cincinnati, Ohio  
July 27, 2010

**CENTER FOR RESPITE CARE, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**MARCH 31, 2010 AND 2009**

	2010	2009
<b>CURRENT ASSETS</b>		
Cash	\$ 204,119	\$ 66,816
Grants receivable	36,701	36,499
Other receivables	-	300
Prepaid and other assets	1,755	8,954
<b>TOTAL CURRENT ASSETS</b>	242,575	112,569
<b>PROPERTY AND EQUIPMENT, NET</b>	5,998	9,238
<b>TOTAL ASSETS</b>	\$ 248,573	\$ 121,807
 <b>LIABILITIES:</b>		
Accounts payable	\$ 13,467	\$ 12,059
Accrued expenses	47,174	40,633
Unearned revenue	98,934	9,339
<b>TOTAL LIABILITIES</b>	159,575	62,031
 <b>NET ASSETS:</b>		
Unrestricted	88,998	59,776
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	\$ 248,573	\$ 121,807

The accompanying notes are an integral part of these financial statements

**CENTER FOR RESPITE CARE, INC.**

**STATEMENT OF ACTIVITIES**

**YEARS ENDED MARCH 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
<b>Revenue and Other Support:</b>		
U.S. Department of Housing and Government Grants	\$ 339,952	\$ 234,824
Health Care Organization Grants	250,000	290,000
Foundation Grants	156,805	189,496
Contributions	139,570	76,116
In-kind Donations	66,600	66,600
Fee and Other Income	1,231	698
	<hr/>	<hr/>
Total Revenue and Support	954,158	857,734
	<hr/>	<hr/>
<b>Operating Expenses:</b>		
Program services	844,471	764,848
Management and general	19,245	16,557
Fund raising	61,220	70,553
	<hr/>	<hr/>
Total Expenses	924,936	851,958
	<hr/>	<hr/>
Change in Net Assets	29,222	5,776
	<hr/>	<hr/>
<b>NET ASSETS, BEGINNING OF YEAR</b>	59,776	54,000
	<hr/>	<hr/>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 88,998</u>	<u>\$ 59,776</u>

The accompanying notes are an integral part of these financial statements

**CENTER FOR RESPITE CARE, INC.**

**STATEMENT OF CASH FLOWS**

**YEARS ENDED MARCH 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
<b>Cash Flows from Operating Activities</b>		
Change in Net Assets	\$ 29,222	\$ 5,776
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	3,240	2,993
Change in assets and liabilities:		
Grants receivable	(202)	16,372
Other receivables	300	-
Prepays and other assets	7,199	3,668
Accounts payable	1,408	(7,004)
Accrued expenses	6,541	1,095
Unearned revenue	89,595	(62,570)
	<u>137,303</u>	<u>(39,670)</u>
Net cash provided by (used in) operating activities		
	<u>137,303</u>	<u>(39,670)</u>
<b>Cash Flows from Investing Activities</b>		
Purchases of equipment	<u>-</u>	<u>(2,473)</u>
Net cash provided by (used in) investing activities		
	<u>-</u>	<u>(2,473)</u>
<b>Net increase in cash</b>	137,303	(42,143)
<b>Cash, beginning of year</b>	<u>66,816</u>	<u>108,959</u>
<b>Cash, end of year</b>	<u>\$ 204,119</u>	<u>\$ 66,816</u>

The accompanying notes are an integral part of these financial statements

**CENTER FOR RESPITE CARE, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**YEAR ENDED MARCH 31, 2010**

	<u>Program</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total Expenses</u>
Salaries	\$ 386,812	\$ 5,635	\$ 15,798	\$ 408,245
Payroll taxes, employee benefits and other personnel expenses	57,613	648	1,815	60,076
Contract Labor	40,925	-	-	40,925
Occupancy	27,583	899	1,305	29,787
Telephone	6,288	104	355	6,747
Medications, medical supplies, labs	5,812	-	-	5,812
Client meals, food, transportation and supplies	65,810	-	-	65,810
Leasing and other housing program expenditures	150,989			150,989
Other expenses	24,786	5,248	6,809	36,843
Travel	400	-	-	400
Professional fees	8,345	6,088	35,029	49,462
Depreciation	2,508	623	109	3,240
In-kind expenses	66,600	-	-	66,600
	<hr/>			
Total	<u>\$ 844,471</u>	<u>\$ 19,245</u>	<u>\$ 61,220</u>	<u>\$ 924,936</u>

The accompanying notes to financial statements are an integral part of these statements.

**CENTER FOR RESPITE CARE, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**YEAR ENDED MARCH 31, 2009**

	<u>Program</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total Expenses</u>
Salaries	\$352,533	\$5,836	\$19,908	\$378,277
Payroll taxes, employee benefits and other personnel expenses	52,625	547	1,867	55,039
Contract labor	65,770	-	-	65,770
Occupancy	26,691	870	1,263	28,824
Telephone	5,811	96	328	6,235
Medications, medical supplies, labs	8,731	-	-	8,731
Client meals, food, transportation and supplies	65,985	-	-	65,985
Leasing and other housing program expenditures	89,181	-	-	89,181
Other expenses	21,701	4,114	10,044	35,859
Travel	0	0	297	297
Professional fees	6,903	4,518	36,746	48,167
Depreciation	2,317	576	101	2,993
In-kind expenses	66,600	-	-	66,600
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>\$764,848</u>	<u>\$16,557</u>	<u>\$70,553</u>	<u>\$851,958</u>

The accompanying notes to financial statements are an integral part of these statements.

**CENTER FOR RESPITE CARE, INC.  
(A NONPROFIT ORGANIZATION)**

**NOTES TO FINANCIAL STATEMENTS**

**Note 1: Nature of Organization and Significant Accounting Policies**

**Nature of 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. Patients receive quality, holistic medical care and assistance in resolving the issues keeping them homeless.

Patients 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, lab testing, medications, nursing care, health education, coordination of medical and mental health follow-up care or surgeries;
- 3) Transition to Self Sufficiency – Social service coordinator creates plan of care and refers patients to services available through existing agencies in the community (i.e. services not duplicated) and helps place patients in stable housing. In September 2007, Respite received a new HUD Supportive Housing Grant for disabled clients. The grant provides rental assistance and case management for an average of one year while clients are assisted in securing disability entitlements or employment.

**The significant accounting policies are as follows:**

**Method of accounting:**

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

**Cash:**

The Organization maintains its cash in a bank deposit account which, at times, exceeded federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

**Use of Estimates:**

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

**Financial Statement Presentation:**

The financial statements have been prepared in accordance with Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. SFAS No. 117 requires, among other things, the net assets to be classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations and may be utilized at the discretion of the Board of Trustees to support the Organization’s purposes and operations.

Temporarily restricted net assets – Net assets subject to board or donor-imposed stipulations that will be met either by actions of the Organization 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 assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. There are no temporarily restricted net assets as of March 31, 2010.

Permanently restricted net assets – Net 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 Organization or for purposes specified by the donor. There are no permanently restricted net assets as of March 31, 2010.

**Property and Equipment:**

Property and equipment are recorded at cost or fair value at the time of the gift in the case of donated items. Depreciation is provided on a straight-line basis over the estimated useful lives of the respective assets. The cost of maintenance and repairs is charged to income as incurred; significant renewals and betterments are capitalized.

**Donations In-kind:**

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

**Note 2: Functional Allocation of Expenses**

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

**Note 3: Tax Exempt Status**

The organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the organization is not a private foundation as defined in Section 509(a)(1) of the Internal Revenue Code. There was no unrelated business income for the year ended March 31, 2010.

**Note 4: Property and Equipment**

Property and equipment, net consists of the following at March 31:

	<u>2010</u>	<u>2009</u>
Office furniture and equipment	\$ 15,110	\$ 15,110
Less: Accumulated depreciation	<u>(9,112)</u>	<u>(5,872)</u>
Net	\$ 5,998	\$ 9,238

**Note 5: Donated Services**

For the years ended March 31, 2010 and 2009, \$66,600, has been recorded for the services of a medical director. The medical director is provided with Healthcare for the Homeless funds through Cincinnati Health Network, Inc.

**Note 6: Lease**

Effective October 1, 2006 Center for Respite Care, Inc. entered into an operating lease with Garden Park, Inc. to provide housing space for clients' medical treatment. The lease, including extensions, expires March 31, 2011. Lease payments for the years ended March 31, 2010 and 2009 were \$24,000.