

**DRIVE A SENIOR CENTRAL TEXAS  
(FORMERLY DRIVE A SENIOR-SW)**

**AUDITED FINANCIAL STATEMENTS  
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

**(With Accompanying Independent Auditors' Report)**

**DRIVE A SENIOR CENTRAL TEXAS**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

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ALEXANDER  
LIEVENS LLP

## **Independent Auditors' Report**

To the Board of Directors  
Drive a Senior Central Texas  
Austin, TX

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Drive a Senior Central Texas (formerly Drive a Senior-SW), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements (collectively, 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 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 Drive a Senior Central Texas as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Alexander Livers LLP*

Austin, Texas  
May 20, 2021

**DRIVE A SENIOR CENTRAL TEXAS**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2020 and 2019**

<b>ASSETS</b>	<b><u>2020</u></b>	<b><u>2019</u></b>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 490,357	\$ 301,995
Accounts receivable	520	21,326
Contributions receivable	70,550	149,658
Pledges receivable	2,500	-
Prepaid expenses	14,516	3,624
<b>Total Current Assets</b>	<u>578,443</u>	<u>476,603</u>
<b>Fixed Assets</b>		
Furniture, vehicles, equipment, and computer software	174,079	62,079
Less: Accumulated depreciation	(31,120)	(3,162)
<b>Total Fixed Assets</b>	<u>142,959</u>	<u>58,917</u>
<b>Other Assets</b>		
Investments	1,762	1,460
<b>TOTAL ASSETS</b>	<u>\$ 723,164</u>	<u>\$ 536,980</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 521	\$ 12,176
Accrued expenses	4,246	13,291
<b>Total Current Liabilities</b>	<u>4,767</u>	<u>25,467</u>
<b>Long-Term Liabilities</b>		
Long-term debt	30,000	-
<b>Total Long-Term Liabilities</b>	<u>30,000</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>34,767</u>	<u>25,467</u>
<b>Net Assets</b>		
Without donor restrictions	468,397	361,855
With donor restrictions	220,000	149,658
<b>Total Net Assets</b>	<u>688,397</u>	<u>511,513</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 723,164</u>	<u>\$ 536,980</u>

**DRIVE A SENIOR CENTRAL TEXAS**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<b>2020</b>			
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b><u>Total</u></b>	<b><u>2019</u></b>
<b>REVENUES, GAINS AND OTHER SUPPORT WITHOUT DONOR RESTRICTIONS</b>				
Individual gifts	\$ 80,851	-	80,851	\$ 77,423
Church and civic gifts	94,348	-	94,348	103,551
Corporate gifts	14,417	-	14,417	4,053
Foundation grants	50,169	-	50,169	111,198
Government grants	59,752	-	59,752	48,363
Gifts in kind	115,975	-	115,975	37,695
Miscellaneous other income, interest	5,307	-	5,307	5,976
Unrealized Gain	200	-	200	863
Net assets released from restrictions	149,658	-	149,658	100,495
<b>Total Revenues, Gains and Other Support without Donor Restrictions</b>	<b>570,677</b>	<b>-</b>	<b>570,677</b>	<b>489,617</b>
<b>REVENUES, GAINS AND OTHER SUPPORT WITH DONOR RESTRICTIONS</b>				
Foundation grants	-	220,000	220,000	149,658
Net assets released from restrictions	-	(149,658)	(149,658)	(100,495)
<b>Total Revenues, Gains and Other Support with Donor Restrictions</b>	<b>-</b>	<b>70,342</b>	<b>70,342</b>	<b>49,163</b>
<b>Total Revenues, Gains and Other Support</b>	<b>570,677</b>	<b>70,342</b>	<b>641,019</b>	<b>538,780</b>
<b>EXPENSES</b>				
Salaries and other wages	314,211	-	314,211	185,623
Depreciation	27,958	-	27,958	2,030
Payroll and general taxes	24,037	-	24,037	14,200
Insurance	16,612	-	16,612	5,506
Advertising and promotion	16,114	-	16,114	1,465
Van fuel and maintenance	15,002	-	15,002	4,048
Legal and professional fees	13,500	-	13,500	62,839
Office expenses	11,914	-	11,914	9,093
Telephone	5,308	-	5,308	3,181
Postage and printing	4,967	-	4,967	3,324
Miscellaneous	3,623	-	3,623	3,202
Dues, fees and publications	2,562	-	2,562	2,154
Contract labor	2,518	-	2,518	6,000
Payroll expenses	2,131	-	2,131	1,422
Travel, training and meetings	2,020	-	2,020	6,397
Network shared expenses	1,658	-	1,658	8,439
Volunteer and donor events	-	-	-	4,834
Bookkeeping	-	-	-	2,100
<b>Total Expenses (Note L)</b>	<b>464,135</b>	<b>-</b>	<b>464,135</b>	<b>325,857</b>
<b>Change in Net Assets</b>	<b>106,542</b>	<b>70,342</b>	<b>176,884</b>	<b>212,923</b>
<b>NET ASSETS, beginning of year</b>	<b>361,855</b>	<b>149,658</b>	<b>511,513</b>	<b>298,590</b>
<b>NET ASSETS, end of year</b>	<b>\$ 468,397</b>	<b>220,000</b>	<b>688,397</b>	<b>\$ 511,513</b>

**DRIVE A SENIOR CENTRAL TEXAS**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 176,884	\$ 212,923
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	27,958	2,030
Changes in operating assets and liabilities:		
Accounts receivable	20,806	(16,312)
Contributions receivable	79,108	(49,163)
Pledges receivable	(2,500)	-
Prepaid expenses	(10,892)	(2,199)
Other assets	-	-
Investments	(302)	(350)
Accounts payable	(11,655)	10,875
Accrued expenses	(9,045)	11,207
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>270,362</u>	<u>169,011</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(112,000)	(60,947)
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<u>(112,000)</u>	<u>(60,947)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term debt	30,000	-
<b>NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES</b>	<u>30,000</u>	<u>-</u>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	188,362	108,064
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>301,995</u>	<u>193,931</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 490,357</u>	<u>\$ 301,995</u>
<b>Additional Disclosure</b>		
Cash paid for Interest	\$ -	\$ -
Cash paid for Taxes	\$ 24,037	\$ 14,200

## **Drive a Senior Central Texas Notes to Financial Statements**

### **A. Organization and Nature of Operations**

Southwest Austin Caregivers, doing business as Drive a Senior-SW, changed its name to Drive a Senior Central Texas on March 13, 2019. Drive a Senior Central Texas (“the Organization”) is a non-profit corporation which was formed in the state of Texas on May 30, 2008. The Organization provides volunteer-based transportation and other support services at no cost to non-driving seniors in the southwest areas of greater Austin, Texas and neighboring communities, to help them maintain an independent lifestyle and experience healthy aging in place.

### **B. Summary of Significant Accounting Policies**

The Organization prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for not-for-profit entities. The significant accounting and reporting policies used by the Organization are described subsequently to enhance the usefulness and understandability of the financial statements.

#### ***Basis of Accounting***

The Organization prepares financial statements using the accrual basis of accounting and accounting principles generally accepted in the United States of America.

#### ***Use of Estimates***

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, the Organization’s management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The Organization’s management believes that estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

#### ***Net Assets***

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

***Net Assets Without Donor Restrictions*** These net assets are not subject to donor-imposed restrictions. The only limits on their use are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.



**Drive a Senior Central Texas  
Notes to Financial Statements**

**B. Summary of Significant Accounting Policies (continued)**

***Net Assets With Donor Restrictions***

These net assets are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Organization must continue to use the resources in accordance with the donor's instructions.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from with restrictions to without restrictions. Net assets restricted for acquisition of building or equipment (or less commonly, the contribution of those assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the Organization, unless the donor provides more specific directions.

***Classification of Transactions***

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses are reported as decreases in net assets without donor restrictions.

***Cash and Cash Equivalents***

Cash equivalents are short term, interest bearing, highly liquid investments with original maturities of three months or less. The Organization maintains its cash in bank deposit accounts which do not exceed the federally insured limit of \$250,000 per account.

***Accounts Receivable***

Accounts receivable are primarily unsecured amounts due from grantors for cost reimbursement. Management believes that all accounts receivable are collectible in full; therefore, no allowance for uncollectible receivables has been provided for both years.

***Contributions Receivable***

Contributions receivable are unconditional promises to give that are recognized as contributions when the promise is received.

**Drive a Senior Central Texas  
Notes to Financial Statements**

**B. Summary of Significant Accounting Policies (continued)**

***Furniture, Vehicles, Equipment and Computer Software***

Furniture, vehicles, equipment and computer software are recorded in the statement of financial position at cost, if purchased, and at fair value at the date of donation, if donated. Equipment is capitalized if it has a cost of \$5,000 or more. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred.

Depreciation or amortization are computed using the straight-line method over the estimated useful lives of the assets generally as follows:

Software	5 years (or license period, if less)
Equipment	5 years
Furniture	5 years
Vehicles	5 years

Furniture, vehicles, equipment and computer software are reviewed for impairment when a significant change in the asset's use or another indicator of possible impairment is present.

No impairment losses were recognized in the financial statements in the current or prior periods.

***Investments***

The Organization accounts for its investments in accordance with FASB ASC 958-320, Not-for-Profit Entities – Investments – Debt and Equity Securities and FASB ASC 958-325, Not-for-Profit Entities – Investments – Other. Under ASC 958-320, the Organization is required to report investments in equity securities that have readily determinable fair values, and all investments in debt securities, at fair value. The fair value is based on quoted market prices. Changes in value are shown as unrealized gains or losses on the Statement of Activities.

***Accounting for Contributions***

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as restricted until the payment is due, unless the contribution is clearly intended to support activities of the current fiscal year.

***Contributions***

The Organization receives monetary contributions in the form of individual gifts, church and civic gifts, corporate gifts, foundation grants, and government grants. The Organization also receives contributions of goods and services given for use in fundraising or operations.

**Drive a Senior Central Texas  
Notes to Financial Statements**

**B. Summary of Significant Accounting Policies (continued)**

***Individual gifts***

These gifts come from clients, volunteers, and other supporters. They may be solicited or unsolicited and may be received separately or as part of an event or a community campaign, such as Amplify Austin.

***Church and civic gifts***

These gifts include donations from churches.

***Corporate gifts***

These gifts include donations from businesses.

***Foundation grants***

These grants consist primarily of an award from the St. David's Foundation which is applied for directly by the Organization.

***Government grants***

These grants consist of sponsored program funding from the Federal Transit Administration of the U.S. Department of Transportation. It is also applied for in conjunction with other Central Texas regional organizations of Drive a Senior. The funding is paid retrospectively based on quarterly requests for reimbursement of qualified expenditures.

***Contributions of goods or services for use in fundraising***

These are typically auction items and are recorded as gifts in kind at fair value when the gifts are originally made. The difference between the amount received at auction and the fair value when originally contributed are recognized as adjustments to the original contributions when the items are transferred to the auction winners.

***Contributions of goods for operations***

These are recorded as gifts in kind at fair value when received. Contributions of services for operations are recognized in the financial statements of the Organization only if they create or enhance nonfinancial assets or if they require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Contributions are not recognized until the cash, good, or service is received, unless the Organization has sufficient evidence in the form of verifiable documentation that a promise to give has been made and received. Unconditional promises to give are recognized when communicated by the donor or approved by the grantor. Conditional promises are recognized as unconditional promises when the possibility that the conditions will not be met is remote. Otherwise, conditional contributions are recognized as revenue when the Organization meets the terms of the conditions.

**Drive a Senior Central Texas  
Notes to Financial Statements**

**B. Summary of Significant Accounting Policies (continued)**

***Tax Status***

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC), though it would be subject to tax on income unrelated to its exempt purposes (unless that income is otherwise excluded by the IRC). The Organization is not classified as a private foundation.

***Advertising Costs***

Advertising expense is charged directly to expense as incurred by the Organization. Advertising costs were \$16,114 and \$1,465 for the years ended December 31, 2020 and 2019, respectively.

***Recent Accounting Pronouncements***

*Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made for Not-for-Profit Entities.* In June 2018, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2018-08, which requires entities to evaluate whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to ASC 606 and also for determining whether a contribution is conditional. The standard is effective for fiscal years beginning after December 15, 2018, and the Organization adopted in prior period January 1, 2019 and applied retrospectively to all periods presented.

*Fair Value Measurements.* In August 2018, the FASB issued ASU 2018-13, “Fair Value Measurements (Topic 820): Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement.” The update removes disclosures about fair value measurement that no longer are considered cost beneficial. As a result, these disclosures are now optional. The standard is effective for fiscal years beginning after December 15, 2019 and early adoption is permitted. The Organization did not early adopt the ASU and does not expect this standard will have a significant impact on its financial statements.

**C. Change in Accounting Principle**

As noted in Note B. above, in prior period January 1, 2019, the Organization adopted ASU 2018-08 and thereby elected to change their method of recognizing revenue related to contributions. The aforementioned ASU requires the changes to be reflected retrospectively and therefore there is an adjustment required to prior year and opening balances as documented in the prior year footnotes.

**D. Investments**

The following is a detail of the equity investments, which are stated at fair market value:

**Drive a Senior Central Texas  
Notes to Financial Statements**

**D. Investments (continued)**

Cost basis	\$ 1,460
Unrealized appreciation	302
Fair market value at December 31, 2020	<u>\$ 1,762</u>

**E. Fair Value Measurements**

The Organization reports fair value measures of its assets and liabilities using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The asset or liability's measurement within the fair value hierarchy is based on the lowest level of input that is significant to the measurement. The three levels of inputs used to measure fair value are as follows:

- Level 1: Quoted prices for identical assets or liabilities in active markets to which the Organization has access to at the measurement date.
- Level 2: Inputs other than quoted prices included at Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:
  - o Quoted prices for similar assets and liabilities in active markets;
  - o Quoted prices for identical or similar assets in markets that are not active;
  - o Observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and
  - o Inputs derived principally from, or corroborated by, observable market data by correlation or by other means.
- Level 3: Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value if observable inputs are not available.

When available the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

The following table summarizes the fair value of the Organization's financial assets and liabilities that were measured on a recurring basis:

**Drive a Senior Central Texas**  
**Notes to Financial Statements**

**E. Fair Value Measurements (continued)**

<b>Fair Value Measurements at December 31, 2020</b>				
<b><u>Level</u></b>	<b><u>1</u></b>	<b><u>2</u></b>	<b><u>3</u></b>	<b><u>Total</u></b>
Cash and cash equivalents	\$ 490,357	\$ -	\$ -	\$ 490,357
Investments- Equity securities	1,762	-	-	1,762
	<u>\$ 492,119</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 492,119</u>

<b>Fair Value Measurements at December 31, 2019</b>				
<b><u>Level</u></b>	<b><u>1</u></b>	<b><u>2</u></b>	<b><u>3</u></b>	<b><u>Total</u></b>
Cash and cash equivalents	\$ 301,995	\$ -	\$ -	\$ 301,995
Investments- Equity securities	1,460	-	-	1,460
	<u>\$ 303,455</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 303,455</u>

**F. Contributions and Grants Receivable**

Contributions and grants receivable at December 31, 2020 are due as follows:

Currently due	\$ 70,550
1 year to 5 years	-
More than 5 years	-
	<u>\$ 70,550</u>

Contributions and grants receivable at December 31, 2019 are due as follows:

Currently due	\$ 149,658
1 year to 5 years	-
More than 5 years	-
	<u>\$ 149,658</u>

**Drive a Senior Central Texas**  
**Notes to Financial Statements**

**G. Furniture, Vehicles, Equipment and Computer Software**

Furniture, vehicles, equipment and computer software at December 31, 2020 and 2019:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Furniture and equipment	\$ 882	\$ -	\$ -	\$ 882
Vehicle	60,947	112,000	-	172,947
Computer software	250	-	-	250
Total	62,079	112,000	-	174,079
Less: accumulated depreciation and amortization	(3,162)	(27,958)	-	(31,120)
Total Fixed Assets, net of accumulated depreciation	\$58,917	\$ 84,042	\$ -	\$ 142,959

Depreciation expense, computed by the straight-line method for financial reporting purposes, amounted to \$27,958 and \$2,030 for the years ended December 31, 2020 and 2019, respectively.

**H. Debt**

	2020	2019
1% note payable to the Small Business Administration (SBA), forgivable to the extent that the Company uses loan proceeds to fund qualifying payroll, rent and utilities during a designated 24-week period. If not forgiven payments begin April 2021 with balance due April 2025	\$ 30,000	-
Total debt	30,000	-
Less current portion	-	-
Long-term debt	\$ 30,000	\$ -
Year ending December 31,		
2021	\$ 6,000	-
2022	6,000	-
2023	6,000	-
2024	6,000	-
2025	6,000	-
	\$ 30,000	\$ -

**Drive a Senior Central Texas  
Notes to Financial Statements**

**I. Concentrations of Risk**

Approximately 29 percent in 2020 and 12 percent in 2019 of the Organization's funding came from the St. David's Foundation. At December 31, 2020 and 2019, respectively, \$70,550 and \$149,658 is receivable from the St. David's Foundation.

The majority of the Organization's contributions and grants are received from corporations, organizations and individuals located in the Austin, TX area. As such, the Organization's ability to generate resources via contributions and grants is dependent upon the economic health of that area.

The Organization's investments are subject to various risks, such as overall market volatility risks.

**J. Related Party Transactions**

The Organization's board of directors made donations of \$12,300 in 2020 and \$9,788 in 2019 and were reimbursed \$358 and \$1,412 for out-of-pocket expenses during the years ended December 31, 2020 and 2019, respectively.

**K. Liquidity and Availability**

At December 31, 2020, the Organization has \$490,877 of financial assets available within 1 year of the balance sheet date to meet cash needs for general expenditure consisting of cash of \$490,357 and cash equivalents and accounts receivable of \$520. At December 31, 2019, the Organization has \$323,321 of financial assets available within 1 year of the balance sheet date to meet cash needs for general expenditure consisting of cash of \$301,995 and cash equivalents and accounts receivable of \$21,326. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. As noted in Note B. above, the accounts receivable are deemed to be 100% collectible and as such will be collected within one year. The Organization has a goal to maintain financial assets, which consist of cash and cash equivalents, on hand to meet four months of the current year's budgeted annual operating expenses, which was approximately \$187,359 for 2020. The operating reserve may be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities. As part of its liquidity plan, the Organization's annual budget includes forecasted cash balances by month. Excess cash is invested in short-term investments, including money market mutual funds, certificates of deposit, and short-term U.S. Treasury obligations.



**Drive a Senior Central Texas**  
**Notes to Financial Statements**

**L. Expenses**

Expenses are presented by natural classification in the statements of activities. Expenses are presented by both natural and functional classifications in the accompanying notes to the financial statements. Certain expenses are allocated among functions as follows:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and other wages	Time and effort
Payroll and general taxes	Pro rata based on salaries and other wages
Payroll fees	Pro rata based on salaries and other wages
Contractor services	Time and effort
Telephone	Time and effort of phone user
Insurance (workers' compensation only)	Pro rata based on salaries and other wages

The following table presents expenses both by their nature and their function for the year ended December 31, 2020:

	<b>Supporting Activities</b>			<b>Program Activities</b>	<b>Grand Total</b>
	<b>Management &amp; General</b>	<b>Fundraising</b>	<b>Total Supporting Services</b>		
Salaries & other wages	32,319	78,750	111,069	203,142	314,211
Legal & professional fees	13,500	-	13,500	-	13,500
Payroll and general taxes	14,180	3,680	17,860	6,177	24,037
Advertising and promotion	-	15,349	15,349	765	16,114
Insurance	5,170	-	5,170	11,442	16,612
Office expenses	2,396	256	2,652	9,262	11,914
Travel, training and meetings	206	234	440	1,580	2,020
Van fuel and maintenance	-	77	77	14,924	15,002
Payroll processing	2,131	-	2,131	-	2,131
Postage and printing	261	440	701	4,266	4,967
Telephone	4	292	296	5,013	5,308
Dues, fees and publications	1,803	447	2,250	313	2,562
Contract labor	-	869	869	1,649	2,518
Miscellaneous	-	-	-	3,623	3,623
Network shared expenses	-	-	-	1,658	1,658
Depreciation	-	-	-	27,958	27,958
	<u>\$ 71,970</u>	<u>\$ 100,394</u>	<u>\$ 172,364</u>	<u>\$ 291,772</u>	<u>\$ 464,135</u>

**Drive a Senior Central Texas**  
**Notes to Financial Statements**

**L. Expenses (continued)**

The following table presents expenses both by their nature and their function for the year ended December 31, 2019:

	<b>Management &amp; General</b>	<b>Fundraising</b>	<b>Total Supporting Services</b>	<b>Program Activities</b>	<b>Grand Total</b>
Salaries & other wages	33,994	25,862	59,856	125,766	185,623
Legal & professional fees	62,069	-	62,069	770	62,839
Payroll and general taxes	2,698	1,846	4,544	9,656	14,200
Advertising and promotion	-	840	840	625	1,465
Insurance	2,491	242	2,733	2,774	5,506
Office expenses	5,209	2,169	7,378	1,715	9,093
Bookkeeping	2,100	-	2,100	-	2,100
Facilities and related	-	4,834	4,834	-	4,834
Travel, training and meetings	786	1,087	1,873	4,524	6,397
Van fuel and maintenance	-	-	-	4,048	4,048
Payroll processing	270	185	455	967	1,422
Postage and printing	436	1,464	1,900	1,422	3,324
Telephone	44	476	520	2,660	3,181
Dues, fees and publications	1,570	471	2,041	113	2,154
Contract labor	390	3,495	3,885	2,115	6,000
Miscellaneous	-	-	-	3,206	3,202
Network shared expenses	-	-	-	8,439	8,439
Depreciation	-	-	-	2,030	2,030
	<u>\$ 112,057</u>	<u>\$ 42,971</u>	<u>\$ 155,028</u>	<u>\$ 170,830</u>	<u>\$325,857</u>

**M. Subsequent Events**

Subsequent events have been evaluated through May 20, 2021, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

On March 11, 2020, the World Health Organization declared COVID-19 a pandemic. The COVID-19 pandemic and resulting global disruptions have caused significant economic uncertainty and volatility in financial markets. The impact of COVID-19 continues to evolve, and the Organization is not able at this time to estimate its full impact on the Organization's financial statements.