

**DRIVE A SENIOR CENTRAL TEXAS
DBA CHARIOT**

**AUDITED FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2021, AND 2020
(With Accompanying Independent Auditors' Report)**

DRIVE A SENIOR CENTRAL TEXAS
FOR THE YEARS ENDED DECEMBER 31, 2021, AND 2020

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ALEXANDER
LIEVENS LLP

Independent Auditors' Report

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

Opinion

We have audited the accompanying financial statements of Drive a Senior Central Texas, (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021, and 2020, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

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, 2021, and 2020, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Drive a Senior Central Texas and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Drive a Senior Central Texas's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Drive a Senior Central Texas's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Drive a Senior Central Texas's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Alexander Lievens LLP

Austin, Texas
June 6, 2022

DRIVE A SENIOR CENTRAL TEXAS
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 460,912	\$ 490,357
Accounts receivable	122,290	520
Contributions receivable	20,000	70,550
Pledges receivable	1,000	2,500
Prepaid expenses	15,061	14,516
Total Current Assets	619,263	578,443
Fixed Assets		
Furniture, vehicles, equipment, and computer software	174,079	174,079
Less: Accumulated depreciation	(68,589)	(31,120)
Total Fixed Assets	105,490	142,959
Other Assets		
Investments	2,369	1,762
TOTAL ASSETS	\$ 727,122	\$ 723,164
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 1,271	\$ 521
Accrued expenses	23,772	4,246
Total Current Liabilities	25,043	4,767
Long-Term Liabilities		
Long-term debt	-	30,000
Total Long-Term Liabilities	-	30,000
TOTAL LIABILITIES	25,043	34,767
Net Assets		
Without donor restrictions	545,579	468,397
With donor restrictions	156,500	220,000
Total Net Assets	702,079	688,397
TOTAL LIABILITIES AND NET ASSETS	\$ 727,122	\$ 723,164

DRIVE A SENIOR CENTRAL TEXAS
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021			<u>2020</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	
REVENUES, GAINS AND OTHER SUPPORT WITHOUT DONOR RESTRICTIONS				
Individual gifts	\$ 91,279	-	91,279	80,851
Church and civic gifts	8,095	-	8,095	94,348
Corporate gifts	7,191	-	7,191	14,417
Foundation grants	115,917	-	115,917	50,169
Government grants	160,525	-	160,525	59,752
Gifts in kind	7,865	-	7,865	115,975
Miscellaneous other income, interest	201	-	201	5,307
Unrealized Gain	38	-	38	200
Net assets released from restrictions	220,000	-	220,000	149,658
Total Revenues, Gains and Other Support without Donor Restrictions	<u>611,111</u>	<u>-</u>	<u>611,111</u>	<u>570,677</u>
REVENUES, GAINS AND OTHER SUPPORT WITH DONOR RESTRICTIONS				
Foundation grants	-	156,500	156,500	220,000
Net assets released from restrictions	-	(220,000)	(220,000)	(149,658)
Total Revenues, Gains and Other Support with Donor Restrictions	<u>-</u>	<u>(63,500)</u>	<u>(63,500)</u>	<u>70,342</u>
Total Revenues, Gains and Other Support	<u>611,111</u>	<u>(63,500)</u>	<u>547,611</u>	<u>641,019</u>
EXPENSES				
Salaries and other wages	315,698	-	315,698	314,211
Advertising and promotion	45,034	-	45,034	16,114
Depreciation	37,469	-	37,469	27,958
Payroll and general taxes	24,130	-	24,130	24,037
Insurance	22,531	-	22,531	16,612
Office expenses	21,769	-	21,769	11,914
Van fuel and maintenance	17,059	-	17,059	15,002
Miscellaneous	13,217	-	13,217	3,623
Legal and professional fees	8,712	-	8,712	13,500
Office and Occupancy	8,583	-	8,583	-
Telephone	5,254	-	5,254	5,308
Dues, fees and publications	3,217	-	3,217	2,562
Contract labor	2,659	-	2,659	2,518
Travel, training and meetings	2,517	-	2,517	2,020
Postage and printing	2,164	-	2,164	4,967
Payroll expenses	2,096	-	2,096	2,131
Volunteer and donor events	1,429	-	1,429	-
Bad debt expense	391	-	391	-
Network shared expenses	-	-	-	1,658
Total Expenses (Note L)	<u>533,929</u>	<u>-</u>	<u>533,929</u>	<u>464,135</u>
Change in Net Assets	<u>77,182</u>	<u>(63,500)</u>	<u>13,682</u>	<u>176,884</u>
NET ASSETS, beginning of year	<u>468,397</u>	<u>220,000</u>	<u>688,397</u>	<u>511,513</u>
NET ASSETS, end of year	<u>\$ 545,579</u>	<u>156,500</u>	<u>702,079</u>	<u>\$ 688,397</u>

DRIVE A SENIOR CENTRAL TEXAS
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 13,682	\$ 176,884
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	37,469	27,958
Changes in operating assets and liabilities:		
Accounts receivable	(121,770)	20,806
Contributions receivable	50,550	79,108
Pledges receivable	1,500	(2,500)
Prepaid expenses	(545)	(10,892)
Other assets	-	-
Investments	(607)	(302)
Accounts payable	750	(11,655)
Accrued expenses	19,526	(9,045)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>555</u>	<u>270,362</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	-	(112,000)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>-</u>	<u>(112,000)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term debt	-	30,000
Proceeds from SBA Paycheck Protection Program loan	(30,000)	
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>(30,000)</u>	<u>30,000</u>
CHANGE IN CASH AND CASH EQUIVALENTS	(29,445)	188,362
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>490,357</u>	<u>301,995</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 460,912</u>	<u>\$ 490,357</u>
Additional Disclosure		
Cash paid for Interest	\$ -	\$ -
Cash paid for Taxes	\$ 24,130	\$ 24,037

Drive a Senior Central Texas Notes to Financial Statements

A. Organization and Nature of Operations

Drive a Senior Central Texas acquired a DBA of “Chariot” on July 30, 2021. 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 Elgin, Lakeway, Dripping Springs, Southwest, South and Southeast Austin 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. The allowance for doubtful accounts is based on specifically identified amounts that the Organization believes to be uncollectible. At December 31, 2021, and 2020, the allowance for doubtful accounts was \$0, respectively.

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, as well as other smaller grant awards.

Government grants

These grants consist of sponsored program funding from the Federal Transit Administration of the U.S. Department of Transportation. 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 \$45,034 and \$16,114 for the years ended December 31, 2021, and 2020, respectively.

Recent Accounting Pronouncements

Fair Value Measurements. In August 2018, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“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 adopt the ASU and does not expect this standard will have a significant impact on its financial statements.

Leases. In February 2016, the FASB issued ASU No. 2016-02, “Leases (Topic 842),” to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. In 2020 the FASB issued ASU 2020-05, “Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842),” which delayed the effective date one year. It is now effective for organizations, that have not yet early adopted, for annual reporting periods beginning after December 15, 2021. The Organization did not early adopt the ASU and management is currently evaluating how the adoption of this standard will impact the financial statements.

Contributed Nonfinancial Assets. In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets.* The update increases the transparency of contributed nonfinancial assets for not-for-profit (NFP) entities through enhancements to presentation and disclosure. The update is effective for annual reporting periods beginning after June 15, 2021, and early adoption is permitted. The Organization did not early adopt the ASU.

C. 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**

C. Investments (continued)

	2021
Cost basis	\$ 2,072
Unrealized appreciation	297
Fair market value at December 31, 2021	\$ 2,369
	2020
Cost basis	\$ 1,460
Unrealized appreciation	302
Fair market value at December 31, 2020	\$ 1,762

D. 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.

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

D. Fair Value Measurements (continued)

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

Fair Value Measurements at December 31, 2021				
<u>Level</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>Total</u>
Cash and cash equivalents	\$ 460,912	\$ -	\$ -	\$ 460,912
Investments- Equity securities	2,369	-	-	2,369
	<u>\$ 463,281</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 463,281</u>

Fair Value Measurements at December 31, 2020				
<u>Level</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>Total</u>
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>

E. Contributions and Grants Receivable

Contributions and grants receivable at December 31, 2021, are due as follows:

Currently due	\$ 88,250
1 year to 5 years	-
More than 5 years	-
	<u>\$ 88,250</u>

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>

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

F. Furniture, Vehicles, Equipment and Computer Software

Furniture, vehicles, equipment and computer software at December 31, 2021, and 2020:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Furniture and equipment	\$ 882	\$ -	\$ -	\$ 882
Vehicles	172,947	-	-	172,947
Computer software	250	-	-	250
Total	174,079	-	-	174,079
Less: accumulated depreciation and amortization	(31,120)	(37,469)	-	(68,589)
Total Fixed Assets, net of accumulated depreciation	\$ 142,959	\$(37,469)	\$ -	\$ 105,490

Depreciation expense, computed by the straight-line method for financial reporting purposes, amounted to \$37,469 and \$27,958 for the years ended December 31, 2021, and 2020, respectively.

G. Operating Leases

The Organization leases the following facility in its operations under operating leases:

Item Under Lease	Base Monthly Lease Payment	Lease Commencement	Lease Expiration
Facility	\$ 1,250	August 2021	July 2023

The future minimum lease payments for the office space as of December 31, 2021, are as follows:

<u>Year</u>	
2022	16,250
2023	10,500
Total future minimum lease payments	\$ 26,750

Drive a Senior Central Texas Notes to Financial Statements

H. Concentrations of Risk

Approximately 25 percent in 2021 and 29 percent in 2020 of the Organization's funding came from the St. David's Foundation. At December 31, 2021, and 2020, respectively, \$68,250 and \$65,000 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.

I. Related Party Transactions

The Organization's board of directors made donations of \$18,524 in 2021 and \$12,300 in 2020 and were reimbursed \$138 and \$358 for out-of-pocket expenses during the years ended December 31, 2021, and 2020, respectively. Employee were reimbursed \$2,485 for out-of-pocket expenses for the year ended December 21, 2021.

J. Liquidity and Availability

At December 31, 2021, the Organization has \$583,202 of financial assets available within 1 year of the balance sheet date to meet cash needs for general expenditure consisting of cash of \$460,912 and cash equivalents and accounts receivable of \$122,290. 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. 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 \$159,164 for 2021. 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.

K. 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:

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

K. Expenses (continued)

<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, 2021:

	<u>Supporting Activities</u>			<u>Program Activities</u>	<u>Grand Total</u>
	<u>Management & General</u>	<u>Fundraising</u>	<u>Total Supporting Services</u>		
Salaries & other wages	86,519	34,948	121,467	194,231	315,698
Legal & professional fees	4,369	-	4,369	4,343	8,712
Payroll and general taxes	6,609	2,671	9,280	14,850	24,130
Advertising and promotion	7,635	9,272	16,907	28,127	45,034
Insurance	4,783		4,783	17,748	22,531
Office expenses	13,989	13	14,002	7,767	21,769
Office and Occupancy	1,470	625	2,095	6,488	8,583
Travel, training and meeting	1,092	-	1,092	1,424	2,517
Van fuel and maintenance			-	17,059	17,059
Payroll processing	574	232	806	1,290	2,096
Postage and printing	64	107	171	1,993	2,164
Telephone	55	158	213	5,041	5,254
Dues, fees and publications	611	1,634	2,245	972	3,217
Contract labor	760	149	909	1,750	2,659
Miscellaneous	-	-	-	13,217	13,217
Network shared expenses	-	-	-		-
Volunteer and donor events	-	1,144	1,144	285	1,429
Bad Debts	-	391	391	-	391
Depreciation	-	-	-	37,469	37,469
	<u>\$ 128,530</u>	<u>\$ 51,344</u>	<u>\$ 179,874</u>	<u>\$ 354,054</u>	<u>\$ 533,929</u>

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

K. Expenses (continued)

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

	Supporting Activities			Program Activities	Grand Total
	Management & General	Fundraising	Total Supporting Services		
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>

L. Subsequent Events

Subsequent events have been evaluated through June 6, 2022, 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.