

SEARCH & CARE, INC.

JUNE 30, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Search and Care, Inc.

We have audited the accompanying financial statements of Search and Care, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, cash flows and functional expenses 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 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 Search and Care, Inc. as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Search and Care, Inc.'s June 30, 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 26, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Change in Accounting Principle

As described in Note 2 to the financial statements, during the year ended June 30, 2019 Search & Care, Inc. adopted ASU 2016-14 which resulted in a change in the manner in which it presents its net assets and reports certain financial information within its financial statements. Our opinion is not modified with respect to this matter.

Owen J. Flanagan & Co

September 25, 2019

SEARCH AND CARE, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019
(WITH COMPARATIVE TOTALS FOR 2018)

	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 724,213	\$ 1,286,977
Contributions receivable	70,628	138,958
Other receivables	8,696	41,228
Prepaid expenses and other assets	44,849	16,958
Investments at fair value	3,893,075	3,159,959
Cash held for clients	41,183	41,407
Equipment and leasehold improvements, net	<u>44,709</u>	<u>60,322</u>
<u>Total Assets</u>	<u>\$ 4,827,353</u>	<u>\$ 4,745,809</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>Liabilities</u>		
Accounts payable and accrued expenses	\$ 117,644	\$ 98,556
Custodial funds	<u>41,183</u>	<u>41,407</u>
<u>Total Liabilities</u>	<u>158,827</u>	<u>139,963</u>
<u>Net Assets</u>		
Net Assets without Donor Restriction		
Board-designated funds	2,580,445	2,362,568
Available for use	<u>1,463,495</u>	<u>1,468,026</u>
	4,043,940	3,830,594
Net Assets with Donor Restrictions	<u>624,586</u>	<u>775,252</u>
<u>Total Net Assets (Exhibit B)</u>	<u>4,668,526</u>	<u>4,605,846</u>
<u>Total Liabilities and Net Assets</u>	<u>\$ 4,827,353</u>	<u>\$ 4,745,809</u>

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

SEARCH AND CARE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019
(WITH COMPARATIVE TOTALS FOR 2018)

	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total 2019	Total 2018
<u>Operating Revenue</u>				
Grants and contributions	\$ 396,415	\$ 367,921	\$ 764,336	\$ 1,149,548
Program revenue	177,366	-	177,366	171,940
Allocated investment income	122,094	-	122,094	104,258
Income from events, net of expenses of \$111,368 and \$135,927 in 2019 and 2018, respectively	284,555	-	284,555	265,887
In-kind donations	1,152	-	1,152	-
	<u>981,582</u>	<u>367,921</u>	<u>1,349,503</u>	<u>1,691,633</u>
Net assets released from restriction	<u>518,587</u>	<u>(518,587)</u>	<u>-</u>	<u>-</u>
<u>Total Operating Revenue</u>	<u>1,500,169</u>	<u>(150,666)</u>	<u>1,349,503</u>	<u>1,691,633</u>
<u>Operating Expenses</u>				
Program services	1,033,445		1,033,445	1,036,994
Management and general	119,236		119,236	108,378
Fund-raising	201,202		201,202	199,816
<u>Total Operating Expenses</u>	<u>1,353,883</u>	<u>-</u>	<u>1,353,883</u>	<u>1,345,188</u>
Excess (deficiency) of operating revenue over operating expenses	146,286	(150,666)	(4,380)	346,445
Non-operating items				
Net investment return	189,154		189,154	181,483
Released for operations	<u>(122,094)</u>	<u>-</u>	<u>(122,094)</u>	<u>(104,258)</u>
Net non-operating items	<u>67,060</u>	<u>-</u>	<u>67,060</u>	<u>77,225</u>
Change in Net Assets for Year	213,346	(150,666)	62,680	423,670
Net Assets, beginning of year	<u>3,830,594</u>	<u>775,252</u>	<u>4,605,846</u>	<u>4,182,176</u>
Net Assets, End of Year	<u>\$ 4,043,940</u>	<u>\$ 624,586</u>	<u>\$ 4,668,526</u>	<u>\$ 4,605,846</u>

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

SEARCH AND CARE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019
(WITH COMPARATIVE TOTALS FOR 2018)

	Program Services	Support Services			Total Support Services	Total 2019	Total 2018
		Management and General	Fund-raising				
Salaries	\$ 615,257	\$ 41,914	\$ 127,474	\$ 169,388	\$ 784,645	\$ 776,750	
Payroll taxes and benefits	172,316	11,739	35,702	47,441	219,757	210,074	
Occupancy	45,777	3,119	9,484	12,603	58,380	58,380	
Office expenses	16,783	1,143	3,477	4,620	21,403	24,196	
Printing and publications	3,028	-	1,298	1,298	4,326	6,479	
Telephone and utilities	13,865	945	2,873	3,818	17,683	17,079	
Insurance	-	12,718	-	12,718	12,718	8,639	
Client services and grants	62,349	-	-	-	62,349	80,679	
Professional fees	41,879	43,420	-	43,420	85,299	64,365	
Consultants	24,069	1,640	4,987	6,627	30,696	25,972	
Depreciation and amortization	12,242	835	2,536	3,371	15,613	36,348	
Other operating expenses	25,880	1,763	13,371	15,134	41,014	36,227	
Total	<u>\$ 1,033,445</u>	<u>\$ 119,236</u>	<u>\$ 201,202</u>	<u>\$ 320,438</u>	<u>\$ 1,353,883</u>	<u>\$ 1,345,188</u>	
Comparative Totals - 2018	<u>\$ 1,036,994</u>	<u>\$ 108,378</u>	<u>\$ 199,816</u>				

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

SEARCH AND CARE, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019
(WITH COMPARATIVE TOTALS FOR 2018)

	<u>2019</u>	<u>2018</u>
Cash Flows from Operating Activities:		
Change in Net Assets for Year	\$ 62,680	\$ 423,670
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation expense	15,613	36,348
Net realized and unrealized gain on investments	(100,324)	(122,461)
(Increase) decrease in assets		
Contributions receivable	68,330	(38,477)
Other receivables	32,532	(11,831)
Prepaid expenses and other assets	(27,891)	23,961
Decrease (increase) in liabilities		
Deferred event revenue	-	(2,500)
Custodial funds	(224)	(406)
Accounts payable and accrued expenses	19,088	(1,750)
<u>Cash Provided by Operating Activities</u>	<u>69,804</u>	<u>306,554</u>
Cash Flows from Investing Activities:		
Purchase of equipment	-	(5,845)
Proceeds from sale of investments	964,941	1,241,227
Purchase of investments	(1,597,733)	(1,245,992)
<u>Cash Used in Investing Activities</u>	<u>(632,792)</u>	<u>(10,610)</u>
<u>Net (Decrease) Increase in Cash for Year</u>	<u>(562,988)</u>	<u>295,944</u>
Cash, beginning of year	<u>1,328,384</u>	<u>1,032,440</u>
Cash, End of Year	<u>\$ 765,396</u>	<u>\$ 1,328,384</u>
Reconciliation to total cash:		
Cash and cash equivalents	\$ 724,213	\$ 1,286,977
Cash held for clients	<u>41,183</u>	<u>41,407</u>
	<u>\$ 765,396</u>	<u>\$ 1,328,384</u>

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

SEARCH AND CARE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 **Organization and Tax Status**

Search and Care, Inc. (Search and Care), incorporated in 1974, seeks out and assists the aged and homebound in the Yorkville, Carnegie Hill and East Harlem areas of New York City. Search and Care is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code as a publicly supported organization described in Section 509(a). The Organization's support comes primarily through grants and contributions from private foundations, individuals, corporations and other friends.

NOTE 2 **New Accounting Pronouncements**

During August 2016, the FASB issued ASU 2016-14, *Not for Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities* effective for fiscal years beginning after December 15, 2017. Search and Care has adjusted the presentation of its financial statements accordingly, applying the changes to beginning Net Asset balances. The new standards change the following aspects of Search and Care's financial statements:

- The temporary restricted have been renamed net assets with donor restrictions.
- The unrestricted net asset class has been renamed net assets without donor restrictions. Search and Care has opted to further disaggregate this class to show "Available for Use" and "Board Designated" net assets in the footnotes.
- The financial statements include a new disclosure about liquidity and availability of resources (Note 16).
- Net investment return has been shown as one line on the statement of activities, with the details reported in the footnotes (Note 7).

Certain prior year comparative information has been restated to conform to current year presentation.

NOTE 3 **Summary of Significant Accounting Policies**

Basis of Accounting and Use of Estimates

Search and Care prepares its financial statements on the accrual basis of accounting. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires Search and Care's management to make certain estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingencies at the date of financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Presentation

The financial statements report amounts separately by class of net assets. Net assets without donor restriction are those currently available at the discretion of the board for use in Search and Care's operations. Net assets with donor restriction consist of net assets that are to be spent on a specific operating purpose as stipulated by the donor and amounts that are to be held in perpetuity in accordance with donor wishes. All contributions are considered available for use, unless specifically restricted by the donor or subject to other legal restrictions

SEARCH AND CARE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 3 **Summary of Significant Accounting Policies** (Continued)

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in checking and savings accounts as well as certificates of deposit which have a maturity date of three months or less.

Functional Allocation of Expenses

The cost of providing various programs and other activities has been summarized on a functional basis on the statement of activities and on the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and support services benefited. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of Search and Care.

Investments

Investments are held in a combined portfolio and carried at fair value based on quoted market prices. Changes in the fair value of investments are reported in the statement of activities as net realized and unrealized gain or loss

Investment Policy

The Organization's objectives are to safeguard its financial assets and ensure that they are readily available to the Organization for its programmatic needs, while obtaining a reasonable return on assets. The Organization's cash-flow structure and liquidity needs are such that it has only a moderate risk tolerance.

Fair Value Measurement of Investments

Investments are carried at fair value based on quoted market prices. Search and Care follows Financial Accounting Standards Board (FASB) guidance on *Fair Value Measurements* which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable input and are used to the extent that observable inputs do not exist.

Equipment and Leasehold Improvements

Equipment and leasehold improvements, purchased over \$1,000 are recorded at cost or, if donated, at the estimated fair value of the assets at the date of donation. Costs for repair and maintenance are charged to expense as incurred. All equipment and leasehold improvements are depreciated over their estimated useful lives using the straight-line method. Estimated useful lives used to calculate depreciation are as follows:

Leasehold improvements	Lease term
Equipment and computers	3 years

SEARCH AND CARE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 3 **Summary of Significant Accounting Policies** (Continued)

Grants and Contributions

Grants and contributions received, including unconditional promises to give, are recognized as revenue in the period received at their fair values.

In-kind Donations

Members of the Board of Directors and certain other volunteers have contributed time to Search and Care. The financial statements do not reflect the value of these contributed services because they do not meet the criteria required for such recognition.

Contributed services from professionals, that would otherwise have been paid for, are recognized and recorded in the financial statements at the estimated fair value.

Donated goods are recorded at their estimated fair value on the date of gift.

Stock Donations

The Organization has a policy to sell all stock gifts immediately upon receipt.

Summarized Comparative Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Search and Care's financial statements for the year ended June 30, 2018 from which the summarized information was derived.

Measure of Operations

In its statement of activities, the Organization includes in its definition of operations all revenues and expenses that are an integral part of its programs and supporting activities. Investment income, including net realized and unrealized gains and losses, earned in excess of the Organization's aggregate authorized spending amount are recognized as non-operating revenue.

Subsequent Events

In connection with the preparation of the financial statements, Search and Care evaluated subsequent events after the statement of financial position date of June 30, 2019 through September 25, 2019 which was the date the financial statements were available to be issued.

SEARCH AND CARE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 4 **Concentration of Credit Risk**

Search and Care maintains cash balances with banking institutions that at times during the year exceed the Federal Deposit Insurance Corporation's insurable limits. This potentially subjects Search and Care to a concentration of credit risk. Search and Care has not experienced any losses in such accounts.

The investment portfolio is diversified by type of investments and industry concentrations so that no individual investment or group of investments represents a significant concentration of credit risk.

NOTE 5 **Grants and Pledges Receivable**

Grants and pledges receivable of \$70,628 at June 30, 2019 are all expected to be collected within fiscal year ended June 30, 2020.

NOTE 6 **Equipment and Leasehold Improvements**

Equipment and leasehold improvements consist of the following at June 30, 2019 and 2018:

	2019	2018
Leasehold improvements	\$286,357	\$286,357
Office equipment	46,995	46,995
	333,352	333,352
Less: Accumulated depreciation	(288,643)	(273,030)
	\$ 44,709	\$ 60,322

NOTE 7 **Investments and Investment Return**

The investments at June 30, 2019 and 2018, respectively, consist of the following:

	2019		2018	
	Cost	Fair Value	Cost	Fair Value
Short-term cash	\$ 62,321	\$ 62,321	\$ 71,115	\$ 71,115
Certificates of deposit	1,276,414	1,276,414	752,381	752,381
Multi-strategy mutual funds	2,232,106	2,554,340	2,005,486	2,336,463
	\$ 3,570,841	\$ 3,893,075	\$ 2,828,982	\$ 3,159,959

SEARCH AND CARE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 7 **Investments and Investment Return** (Continued)

The following are major categories of investments measured at fair value as of June 30:

	<u>2019</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Short-term cash	\$ 62,321	\$ -	\$ 62,321
Certificates of deposit	-	1,276,414	1,276,414
Multi-strategy mutual funds	<u>2,554,340</u>	<u>-</u>	<u>2,554,340</u>
Total	<u>\$ 2,616,661</u>	<u>\$ 1,276,414</u>	<u>\$ 3,893,075</u>

	<u>2018</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Short-term cash	\$ 71,115	\$ -	\$ 71,115
Certificates of deposit	-	752,381	752,381
Multi-strategy mutual funds	<u>2,336,463</u>	<u>-</u>	<u>2,336,463</u>
Total	<u>\$ 2,407,578</u>	<u>\$ 752,381</u>	<u>\$ 3,159,959</u>

In 2019, Level 2 investments consisted of four certificates of deposit, with one-year maturity dates expiring in May 2020. In 2018, Level 2 investments consisted of two certificates of deposit. One was a twelve-month CD with a maturity date of October 20, 2018 and the other was a twelve-month CD with a maturity date of May 22, 2019.

Investment return for the years ended June 30, 2019 and 2018 consists of the following:

	<u>2019</u>	<u>2018</u>
Dividend and interest income	\$ 88,830	\$ 59,022
Realized and unrealized gain on investments	<u>100,324</u>	<u>122,461</u>
	<u>\$ 189,154</u>	<u>\$ 181,483</u>

For purposes of the statement of activities, Search and Care considers Board authorized spending amounts to be available for operations which are included in operating revenue. The excess or deficiency of actual investment return over such authorized amounts is considered non-operating.

	<u>2019</u>	<u>2018</u>
Investment income for operations	\$ 122,094	\$ 104,258
Non-operating investment income	<u>67,060</u>	<u>77,225</u>
	<u>\$ 189,154</u>	<u>\$ 181,483</u>

SEARCH AND CARE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 8 **Custodial Funds**

Search and Care provides assistance to certain elderly clients who require help in managing their finances. Clients' funds are maintained in a separately administered, commingled account from which expenses are paid on behalf of each client. Search and Care collects no fees for these services.

A summary of the activity for such clients' custodial funds at June 30, 2019 and 2018 is as follows:

	2019	2018
Beginning cash balance	\$ 41,407	\$ 41,813
Funds received	131,722	152,959
	173,129	194,772
Funds disbursed	(131,946)	(153,365)
Ending cash balance	\$ 41,183	\$ 41,407

NOTE 9 **Pension Plan**

Search and Care has a defined contribution pension plan that covers substantially all of its full-time employees. Plan expense is based upon a percentage of employee compensation and totaled \$44,600 and \$40,699 for the years ended June 30, 2019 and 2018, respectively.

NOTE 10 **Commitment and Contingencies**

Search and Care occupies office space pursuant to a lease agreement expiring April 14, 2023. Future annual minimum lease payments at June 30, 2019 are as follows:

2020	\$ 57,000
2021	57,000
2022	57,000
2023	45,125
	\$216,125

Occupancy expense totaled \$58,380 for each of the years ended June 30, 2019 and 2018.

NOTE 11 **Renewable Grant Contract**

A Department for the Aging grant was awarded to Lenox Hill Neighborhood House, with Search and Care listed as one of the subcontractors. This grant is to support the implementation of case management services for elders living between East 59th Street and East 125th Street in New York City, for which Search and Care received \$163,055 during fiscal year 2019. As of July 1, 2019 this contract was renewed for the fiscal year ending June 30, 2020 for approximately \$163,055.

SEARCH AND CARE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 12 In-Kind Donations

During fiscal year ended June 30, 2019, the Organization received donated gift bags valued at \$1,152 for the volunteer program.

NOTE 13 Fundraising Events

Search and Care sponsored different events during the years ended June 30, 2019 and 2018 to raise additional funds for its charitable activities. These events and the net income derived are as follows:

	June 30, 2019		
	Income	Expenses	Net Income
Theatre Benefit	\$ 74,982	\$ 33,735	\$ 41,247
Yorkville Ball	110,703	36,106	74,597
Annual Benefit	126,168	21,218	104,950
Jazz Event	76,860	20,309	56,551
Other Events	7,210	-	7,210
	<u>\$ 395,923</u>	<u>\$ 111,368</u>	<u>\$ 284,555</u>
	June 30, 2018		
	Income	Expenses	Net Income
Theatre Benefit	\$ 85,885	\$ 42,098	\$ 43,787
Yorkville Ball	116,162	44,564	71,598
Annual Benefit	129,769	27,948	101,821
Jazz Event	69,440	20,619	48,821
Other Events	558	697	(139)
	<u>\$ 401,814</u>	<u>\$ 135,926</u>	<u>\$ 265,888</u>

NOTE 14 Board Designated Funds

The board designated funds were established by the Board with the purpose of creating a quasi-endowment that would generate income to support the administrative expenses of Search and Care.

Under the Board's investment and spending policy, a sum equal to 5% of a three-year trailing average of the fair value of investments is released for the use by Search and Care for its general purposes.

In September 2011, the Board initiated a multi-year 40th Anniversary appeal designed to both strengthen and expand upon existing agency programs and services, and ensure that these programs will be available in subsequent years for future elders, despite any downturns or turbulence in the economic environment. The funds were held in a liquid money market account up until March 2018, at which point they were transferred to a multi-strategy mutual fund.

SEARCH AND CARE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 14 **Board Designated Funds** (Continued)

The board designated funds for administrative expenses had the following activity for the years ended June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Balance, beginning of year	\$ 1,951,137	\$ 1,871,013
New designated funds	155,000	5,000
Investment return	129,238	164,680
Funds released	<u>(92,314)</u>	<u>(89,556)</u>
Balance, end of year	<u>\$ 2,143,061</u>	<u>\$ 1,951,137</u>

The board designated fund under the 40th anniversary appeal had the following activity for the year ended June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Balance, beginning of year	\$ 411,431	\$ 409,685
Investment return	<u>25,953</u>	<u>1,746</u>
	<u>\$ 437,384</u>	<u>\$ 411,431</u>

NOTE 15 **Net Assets with Donor Restriction**

Net assets with Donor Restriction at June 30, 2019 and 2018 are available for certain donor stipulated purposes as follows:

	<u>2019</u>	<u>2018</u>
Pet and elder empowerment	\$ 77,513	\$ 53,094
East Harlem expansion and programs	3,732	29,444
Money Matters program	4,641	40,561
Client programs	158,239	172,097
Support for care manager positions, occupational therapist, nurse and homecare worker	251,961	204,456
Time restricted	<u>128,500</u>	<u>275,600</u>
	<u>\$ 624,586</u>	<u>\$ 775,252</u>

SEARCH AND CARE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 15 **Board Designated Funds** (Continued)

Net assets were released from donor restrictions by incurring expenses for the following purposes:

	<u>2019</u>	<u>2018</u>
Pet and elder empowerment	\$ 35,351	\$ 37,623
East Harlem expansion and programs	80,712	98,699
Money Matters program	75,920	65,425
Client programs	51,509	38,383
Support for care manager positions, occupational therapist, nurse and homecare worker	106,995	96,028
Capital improvements and purchases	-	10,000
Time restricted	<u>168,100</u>	<u>136,981</u>
	<u>\$518,587</u>	<u>\$483,139</u>

NOTE 16 **Liquidity and Availability of Financial Assets**

The following reflects Search and Care's financial assets as of June 30, 2019, reduced by amounts not available for general expenditures within one year of the statement of financial position date:

Cash and cash equivalents	\$ 724,213
Cash held for clients	41,183
Investments	3,893,075
Contributions receivable	70,628
Other receivables	<u>8,696</u>
	4,737,795
Less:	
Custodial cash held for clients	41,183
Donor-imposed time or purpose restriction	624,586
Board Designations	<u>2,580,445</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$1,491,581</u>

Search and Care's financial assets are all liquid in nature. The Board of Directors has created two quasi-endowments. One is set up to assist with covering the occupancy costs of the organization through a monthly draw based on a spending policy as described in Note 14. The other is reserved to fund future needs. Search and Care monitors its cash flow monthly and transfers cash as needed into its operating account.