

FAMILY ELDERCARE, INC. AND AFFILIATE
(A Nonprofit Corporation)
INDEPENDENT AUDITORS' REPORT
AND
CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

FAMILY ELDERCARE, INC. AND AFFILIATE
(A Nonprofit Corporation)
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Family Eldercare, Inc.
Austin, Texas

Opinion

We have audited the accompanying consolidated financial statements of Family Eldercare, Inc. and affiliate (a nonprofit organization), which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Family Eldercare, Inc. and affiliate (the Organizations) as of December 31, 2024 and 2023, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Lyons Garden, a related entity to Family Eldercare, Inc. whose statements reflect total assets constituting 38% and 32% of consolidated total assets at September 30, 2024 and 2023, respectively, and total revenues constituting 3% of consolidated total revenues for the years then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Lyons Garden, is based solely on the report of the other auditors.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organizations 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 GAAS and *Government 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 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 consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 the Organizations' 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organizations' 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 21, 2025, on our consideration of the Organizations' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organizations' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organizations' internal control over financial reporting and compliance.

Atchley & Associates LLP

Austin, Texas
August 21, 2025

FAMILY ELDERCARE, INC. AND AFFILIATE
(A Nonprofit Corporation)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024

	Family Eldercare	Lyons Gardens	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 1,214,919	\$ 5,790	\$ 1,220,709
Receivable, net	1,760,585	9,804	1,770,389
Prepaid expenses	66,321	25,207	91,528
Total current assets	<u>3,041,825</u>	<u>40,801</u>	<u>3,082,626</u>
Noncurrent assets			
Designated or restricted assets			
Restricted cash			
Restricted deposits	-	191,755	191,755
Tenant security deposits held in trust	-	15,296	15,296
Investments, designated or restricted	1,026,952	-	1,026,952
Total designated or restricted assets	<u>1,026,952</u>	<u>207,051</u>	<u>1,234,003</u>
Fixed assets, net	<u>1,419,470</u>	<u>3,173,780</u>	<u>4,593,250</u>
Total noncurrent assets	<u>2,446,422</u>	<u>3,380,831</u>	<u>5,827,253</u>
Total Assets	<u><u>\$ 5,488,247</u></u>	<u><u>\$ 3,421,632</u></u>	<u><u>\$ 8,909,879</u></u>
LIABILITIES AND NET ASSETS			
Current liabilities			
Accounts payable and accrued expenses	\$ 110,374	\$ 121,985	\$ 232,359
Payroll and management related payables	409,103	2,789	411,892
Accrued vacation leave payable	269,210	-	269,210
Current portion of long-term debt	11,997	-	11,997
Line of credit	886,382	-	886,382
Deferred revenues	21,231	9,638	30,869
Total current liabilities	<u>1,708,297</u>	<u>134,412</u>	<u>1,842,709</u>
Tenant security deposits held in trust (contra)	-	14,891	14,891
Capital advances and other long-term liabilities	-	4,163,967	4,163,967
Long-term debt	170,292	-	170,292
Total liabilities	<u>1,878,589</u>	<u>4,313,270</u>	<u>6,191,859</u>

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

FAMILY ELDERCARE, INC. AND AFFILIATE
(A Nonprofit Corporation)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION - CONTINUED
DECEMBER 31, 2024

	Family Eldercare	Lyons Gardens	Total
Net assets			
Without donor restrictions			
Undesignated	\$ 2,503,638	\$ (891,638)	\$ 1,612,000
Designated by the Board	1,026,952	-	1,026,952
Total net assets without donor restrictions	3,530,590	(891,638)	2,638,952
With donor restrictions:			
Purpose restrictions	79,068	-	79,068
Total net assets with donor restrictions	79,068	-	79,068
Total net assets	3,609,658	(891,638)	2,718,020
Total Liabilities and Net Assets	\$ 5,488,247	\$ 3,421,632	\$ 8,909,879

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

FAMILY ELDERCARE, INC. AND AFFILIATE
(A Nonprofit Corporation)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023

	Family Eldercare	Lyons Gardens	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 2,082,537	\$ 11,269	\$ 2,093,806
Receivable, net	2,507,555	12,220	2,519,775
Prepaid expenses	220,732	22,635	243,367
Total current assets	4,810,824	46,124	4,856,948
Noncurrent assets			
Designated or restricted assets			
Restricted cash			
Restricted deposits	-	191,463	191,463
Tenant security deposits held in trust	-	14,600	14,600
Investments, designated or restricted	950,253	-	950,253
Total designated or restricted assets	950,253	206,063	1,156,316
Fixed assets, net	1,731,230	3,291,733	5,022,963
Total noncurrent assets	2,681,483	3,497,796	6,179,279
Total Assets	\$ 7,492,307	\$ 3,543,920	\$ 11,036,227
LIABILITIES AND NET ASSETS			
Current liabilities			
Accounts payable and accrued expenses	\$ 1,146,400	\$ 52,014	\$ 1,198,414
Payroll and management related payables	409,921	2,715	412,636
Accrued vacation leave payable	282,542	-	282,542
Current portion of long-term debt	11,288	-	11,288
Line of credit	400,000	-	400,000
Deferred revenues	806,610	12,869	819,479
Total current liabilities	3,056,761	67,598	3,124,359
Tenant security deposits held in trust (contra)	-	13,636	13,636
Capital advances and other long-term liabilities	-	4,163,967	4,163,967
Long-term debt	182,289	-	182,289
Total liabilities	3,239,050	4,245,201	7,484,251

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

FAMILY ELDERCARE, INC. AND AFFILIATE
(A Nonprofit Corporation)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION - CONTINUED
DECEMBER 31, 2023

	Family Eldercare	Lyons Gardens	Total
Net assets			
Without donor restrictions			
Undesignated	\$ 3,288,750	\$ (701,281)	\$ 2,587,469
Designated by the Board	950,253	-	950,253
Total net assets without donor restrictions	4,239,003	(701,281)	3,537,722
With donor restrictions:			
Purpose restrictions	14,254	-	14,254
Total net assets with donor restrictions	14,254	-	14,254
Total net assets	4,253,257	(701,281)	3,551,976
Total Liabilities and Net Assets	\$ 7,492,307	\$ 3,543,920	\$ 11,036,227

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

FAMILY ELDERCARE, INC. AND AFFILIATE
(A Nonprofit Corporation)
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

	Family Eldercare			Lyons Gardens		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT						
Fees for services	\$ 1,530,653	\$ -	\$ 1,530,653	\$ -	\$ -	\$ 1,530,653
Grants and contracts	11,421,056	1,553,629	12,974,685	-	-	12,974,685
Contributions	885,289	74,085	959,374	-	-	959,374
Fundraising events	312,154	-	312,154	-	-	312,154
Rents	-	-	-	543,012	-	543,012
Contributed goods and services	124,124	-	124,124	-	-	124,124
Other revenue	6,150	-	6,150	1,916	-	8,066
Investment return, net	7,900	-	7,900	4,174	-	12,074
Net assets released from restrictions	1,562,900	(1,562,900)	-	-	-	-
Total Revenues and Other Support	15,850,226	64,814	15,915,040	549,102	-	16,464,142
EXPENSES						
Program services						
Guardianship services	1,944,765	-	1,944,765	-	-	1,944,765
Financial and housing stability	11,414,071	-	11,414,071	-	-	11,414,071
Low-income housing	-	-	-	692,836	-	692,836
Total program services	13,358,836	-	13,358,836	692,836	-	14,051,672
Supporting services						
Management and general	1,944,681	-	1,944,681	46,623	-	1,991,304
Development and fundraising	1,255,122	-	1,255,122	-	-	1,255,122
Total Expenses	16,558,639	-	16,558,639	739,459	-	17,298,098
CHANGE IN NET ASSETS	(708,413)	64,814	(643,599)	(190,357)	-	(833,956)
NET ASSETS - BEGINNING OF YEAR	4,239,003	14,254	4,253,257	(701,281)	-	3,551,976
NET ASSETS - END OF YEAR	\$ 3,530,590	\$ 79,068	\$ 3,609,658	\$ (891,638)	\$ -	\$ 2,718,020

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

FAMILY ELDERCARE, INC. AND AFFILIATE
(A Nonprofit Corporation)
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

	Family Eldercare		Lyons Gardens		Total
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	
REVENUES AND OTHER SUPPORT					
Fees for services	\$ 1,589,691	\$ -	\$ -	\$ -	\$ 1,589,691
Grants and contracts	14,574,555	-	-	-	14,574,555
Contributions	834,575	113,901	-	-	948,476
Fundraising events	431,284	-	-	-	431,284
Rents	-	-	523,550	-	523,550
Contributed goods and services	47,112	-	-	-	47,112
Other revenue	84,221	-	828	-	85,049
Investment return, net	103,625	-	2,904	-	106,529
Net assets released from restrictions	112,282	(112,282)	-	-	-
Total Revenues and Other Support	17,777,345	1,619	527,282	-	18,306,246
EXPENSES					
Program services					
Guardianship services	2,080,425	-	-	-	2,080,425
Financial and housing stability	13,935,547	-	-	-	13,935,547
Low-income housing	-	-	619,021	-	619,021
Total program services	16,015,972	-	619,021	-	16,634,993
Supporting services					
Management and general	1,975,740	-	38,320	-	2,014,060
Development and fundraising	499,288	-	-	-	499,288
Total Expenses	18,491,000	-	657,341	-	19,148,341
CHANGE IN NET ASSETS	(713,655)	1,619	(130,059)	-	(842,095)
NET ASSETS - BEGINNING OF YEAR	4,952,658	12,635	(571,222)	-	4,394,071
NET ASSETS - END OF YEAR	\$ 4,239,003	\$ 14,254	\$ (701,281)	\$ -	\$ 3,551,976

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

FAMILY ELDERCARE, INC. AND AFFILIATE
(A Nonprofit Corporation)
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

	Family Eldercare, Inc.				Lyons Gardens		Consolidated Total
	Program Services		Supporting Services		Program Services	Supporting Services	
	Guardianship Services	Financial & Housing Stability	Management & General	Development & Fundraising	Low Income Housing	Management & General	
EXPENSES							
Advertising and marketing	\$ -	\$ 300	\$ -	\$ 35,934	\$ -	\$ -	\$ 36,234
Audit and accounting expense	-	109,994	38,038	-	-	11,367	159,399
Bad debt expense	-	-	7,000	-	3,060	-	10,060
Bank and credit card fees	108	1,974	12,584	20,410	-	-	35,076
Building repairs and maintenance	15,328	35,652	9,068	2,265	121,583	-	183,896
Copies, postage, and printing	1,566	11,103	1,460	17,623	-	-	31,752
Depreciation	-	-	73,168	-	165,599	-	238,767
Direct client assistance	13,430	2,384,408	100	(1,258)	-	-	2,396,680
Equipment and software	35,013	169,832	32,377	23,872	-	-	261,094
Equipment repairs	14,018	47,609	10,921	2,245	-	-	74,793
Fans/air conditioner	-	-	-	104,317	-	-	104,317
Fundraising events	-	5,655	300	154,373	-	-	160,328
Insurance and bonds	10,231	88,818	110,230	610	54,199	-	264,088
Interest expense	-	-	76,157	-	-	-	76,157
Licenses, fees, and permits	7,455	4,918	2,509	501	-	-	15,383
Office supplies	3,753	17,608	7,803	1,254	15,788	-	46,206
Other expenses	21,859	87,450	81,841	19,367	7,995	2,387	220,899
Personnel expense	1,629,253	6,057,625	1,287,939	633,671	168,242	-	9,776,730
Professional and management fees	132,960	476,200	172,656	228,754	97,180	32,869	1,140,619
Sub-grant operation expenses	-	-	-	-	-	-	-
Sub-grant other expenses	-	-	-	-	-	-	-
Sub-grant personnel expenses	-	1,703,151	-	-	-	-	1,703,151
Telephone	19,155	73,642	18,215	8,888	-	-	119,900
Travel and mileage	30,459	81,542	1,493	822	-	-	114,316
Utilities	10,177	56,590	822	1,474	59,190	-	128,253
Total Expenses	\$ 1,944,765	\$ 11,414,071	\$ 1,944,681	\$ 1,255,122	\$ 692,836	\$ 46,623	\$ 17,298,098

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

FAMILY ELDERCARE, INC. AND AFFILIATE
(A Nonprofit Corporation)
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023

	Family Eldercare, Inc.				Lyons Gardens			Consolidated Total
	Program Services		Supporting Services		Program Services	Supporting Services	Total	
	Guardianship Services	Financial & Housing Stability	Management & Development	General	Low Income Housing	Management & General		
EXPENSES								
Advertising and marketing	\$ -	\$ 820	\$ 1,893	\$ 192	\$ 2,905	\$ -	\$ -	\$ 2,905
Audit and accounting expense	-	203,930	36,345	-	240,275	-	8,383	248,658
Bad debt expense	75,256	60,601	41,290	-	177,147	1,438	-	178,585
Bank and credit card fees	96	22,856	6,239	1,928	31,119	-	-	31,119
Building repairs and maintenance	5,443	14,847	6,494	1,170	27,954	118,939	-	146,893
Copies, postage, and printing	180	11,444	290	2,255	14,169	-	-	14,169
Depreciation	-	-	92,506	-	92,506	161,354	-	253,860
Direct client assistance	37,649	2,885,804	-	-	2,923,453	-	-	2,923,453
Equipment and software	29,870	143,728	32,372	18,036	224,006	-	-	224,006
Equipment repairs	8,030	28,970	25,353	2,086	64,439	-	-	64,439
Fans/air conditioner	-	114,867	-	-	114,867	-	-	114,867
Fundraising events	-	19,662	13,678	52,146	85,486	-	-	85,486
Insurance and bonds	5,242	900	88,684	-	94,826	50,685	-	145,511
Interest expense	-	-	13,980	-	13,980	-	-	13,980
Licenses, fees, and permits	4,303	2,339	2,804	240	9,686	2,255	-	11,941
Office supplies	6,496	32,188	9,974	1,316	49,974	13,293	-	63,267
Other expenses	16,578	50,909	95,092	12,594	175,173	9,522	1,256	185,951
Personnel expense	1,645,814	5,908,275	1,145,449	355,836	9,055,374	120,519	-	9,175,893
Professional and management fees	191,212	237,385	341,598	45,678	815,873	82,810	28,681	927,364
Sub-grant operation expenses	-	67,945	-	-	67,945	-	-	67,945
Sub-grant other expenses	-	37,084	-	-	37,084	-	-	37,084
Sub-grant personnel expenses	-	3,925,243	-	-	3,925,243	-	-	3,925,243
Telephone	16,882	65,515	11,926	4,520	98,843	-	-	98,843
Travel and mileage	32,926	72,066	3,036	113	108,141	-	-	108,141
Utilities	4,448	28,169	6,737	1,178	40,532	58,206	-	98,738
Total Expenses	\$ 2,080,425	\$ 13,935,547	\$ 1,975,740	\$ 499,288	\$ 18,491,000	\$ 619,021	\$ 38,320	\$ 19,148,341

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

FAMILY ELDERCARE, INC. AND AFFILIATE
(A Nonprofit Corporation)
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2024

	Family Eldercare	Lyons Gardens	Total
OPERATING ACTIVITIES			
Change in net assets	\$ (643,599)	\$ (190,357)	\$ (833,956)
Adjustments to reconcile change in net assets to net cash flows to net cash provided by (used in) operating activities			
Depreciation expense	73,168	165,599	238,767
Unrealized (gain) loss on investments	22,143	-	22,143
(Gain) loss on disposal of fixed assets	305,803	-	305,803
(Increase) decrease in operating assets			
Receivables	746,970	2,416	749,386
Prepaid expense	154,411	(2,572)	151,839
Increase (decrease) in operating liabilities			
Accounts payable and accrued expenses	(1,036,026)	69,971	(966,055)
Payroll and management related payables	(818)	74	(744)
Accrued vacation leave payable	(13,332)	-	(13,332)
Deferred revenue	(785,379)	(3,231)	(788,610)
Tenant security deposits held in trust (contra)	-	1,255	1,255
Net Cash Flows From Operating Activities	(1,176,659)	43,155	(1,133,504)
INVESTING ACTIVITIES			
Proceeds from sale of investments	146,171	-	146,171
Purchases of investments	(245,013)	-	(245,013)
Purchase of fixed assets	(67,211)	(47,646)	(114,857)
Net Cash Flows From Investing Activities	(166,053)	(47,646)	(213,699)
FINANCING ACTIVITIES			
Net Activity on the line of credit	486,382	-	486,382
Principal payments on long-term debt	(11,288)	-	(11,288)
Net Cash Flows From Financing Activities	475,094	-	475,094
NET CHANGE IN CASH AND CASH EQUIVALENTS	(867,618)	(4,491)	(872,109)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH			
Beginning of year	2,082,537	217,332	2,299,869
End of year	\$ 1,214,919	\$ 212,841	\$ 1,427,760
SUPPLEMENTAL INFORMATION			
Interest paid	\$ 76,157	\$ -	\$ 76,157
Taxes paid	\$ -	\$ -	\$ -

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

FAMILY ELDERCARE, INC. AND AFFILIATE
(A Nonprofit Corporation)
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2023

	Family Eldercare	Lyons Gardens	Total
OPERATING ACTIVITIES			
Change in net assets	\$ (712,036)	\$ (130,059)	\$ (842,095)
Adjustments to reconcile change in net assets to net cash flows to net cash provided by (used in) operating activities			
Depreciation expense	92,506	161,354	253,860
Unrealized (gain) loss on investments	(87,171)	-	(87,171)
(Gain) loss on disposal of fixed assets	-	-	-
(Increase) decrease in operating assets			
Receivables	(432,272)	(5,162)	(437,434)
Prepaid expense	(62,972)	(1,990)	(64,962)
Increase (decrease) in operating liabilities			
Accounts payable and accrued expenses	1,002,588	22,585	1,025,173
Payroll and management related payables	64,087	328	64,415
Accrued vacation leave payable	21,056	-	21,056
Deferred revenue	361,428	(139)	361,289
Tenant security deposits held in trust (contra)	-	699	699
Net Cash Flows From Operating Activities	247,214	47,616	294,830
INVESTING ACTIVITIES			
Proceeds from sale of investments	195,822	-	195,822
Purchases of investments	(375,247)	-	(375,247)
Purchase of fixed assets	(305,527)	(35,402)	(340,929)
Net Cash Flows From Investing Activities	(484,952)	(35,402)	(520,354)
FINANCING ACTIVITIES			
Net Activity on the line of credit	400,000	-	400,000
Principal payments on long-term debt	(17,336)	-	(17,336)
Net Cash Flows From Financing Activities	382,664	-	382,664
NET CHANGE IN CASH AND CASH EQUIVALENTS	144,926	12,214	157,140
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH			
Beginning of year	1,937,611	205,118	2,142,729
End of year	\$ 2,082,537	\$ 217,332	\$ 2,299,869
SUPPLEMENTAL INFORMATION			
Interest paid	\$ 13,980	\$ -	\$ 13,980
Taxes paid	\$ -	\$ -	\$ -

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

FAMILY ELDERCARE, INC. AND AFFILIATE
(A Nonprofit Corporation)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024 AND 2023

NOTE 1: Description of Organization and Nature of Activities

Family Eldercare, Inc. (Family Eldercare) is a not-for-profit corporation incorporated in 1982 under the laws of the State of Texas. Family Eldercare specializes in providing support services and information to the elderly, persons with disabilities, and their caregivers. The purposes of Family Eldercare are to serve and support people with special needs, to promote the dignity and well-being of the elderly, to educate the public about aging issues, and to intervene through a variety of services to prevent abuse, neglect and exploitation.

Family Eldercare is the sponsor of a single-purpose owner corporation - Rosewood I Senior Housing Community, Inc., dba Lyons Gardens (Lyons Gardens). A sponsor is required under applicable HUD rules and regulations. Lyons Gardens, a nonprofit corporation incorporated November 27, 2001, under the laws of the State of Texas, is an owner corporation under applicable HUD rules and regulations. Lyons Gardens exists for the purpose of expanding opportunities available to low and moderate income elderly and handicapped citizens to obtain affordable housing by constructing, rehabilitating, preserving, and providing decent, safe, and sanitary housing for such citizens, specifically, by owning and operating a 54-unit low income housing complex known as Lyons Gardens. The complex is operated under Section 202 of the National Housing Act and regulated by the U.S. Department of Housing and Urban Development (HUD) with respect to rental charges and operating methods. The complex is subject to Project Rental Assistance Contracts with HUD and significant portion of the rental income is received from HUD.

Family Eldercare, as the HUD designated sponsor of Lyons Gardens, does not incur any responsibility for any liabilities incurred by Lyons Gardens and no assets of Family Eldercare are presently, or contingently, impaired due to any activity of Lyons Gardens.

Lyons Gardens is a non-member organization governed by a Board of Directors. HUD regulations require that board membership be “elected in a manner to assure that there is significant representation of the views of the community in which such housing is located (including persons with disabilities)” and that the board is “responsible for the operation of the housing assisted under this part.” (24 CFR § 891.305). Family Eldercare ensures that board members overseeing Lyons Gardens are selected in compliance with this requirement. Family Eldercare must approve the election of individuals to the Lyons Gardens Board of Directors.

Family Eldercare is primarily supported by grants and contracts, contributions, and fees for services. Lyons Gardens is primarily supported by rent income.

The purpose of Family Eldercare is accomplished through the following programs:

Housing and Homelessness Services: Providing safe, affordable, and supportive housing for older Central Texans facing homelessness or housing insecurity.

Guardianship and Financial Advocacy: Fiercely advocating for the independence, dignity, and well-being of people with disabilities and older adults facing complex challenges.

FAMILY ELDERCARE, INC. AND AFFILIATE
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 1: Description of Organization and Nature of Activities (continued)

Supportive Services : Partnering with Central Texans to overcome challenges of aging, ensuring stable housing, financial security, protection from abuse, and living with dignity and independence.

Well-Being : Promoting accessible physical, mental, and social wellness for all Central Texans to live their best lives possible.

The purpose of Lyons Gardens is accomplished through its Low-Income Housing program.

NOTE 2: Summary of Significant Accounting Policies

Principles of Consolidation - The consolidated financial statements, which include the accounts of Family Eldercare and Lyons Gardens (collectively, the Organizations), have been prepared in accordance with U.S. generally accepted accounting principles (GAAP) and include the activity of both organizations; however, the net assets of each organization are unavailable to the other organization, unless so directed by the Organizations' Boards of Directors. Further, the net assets of Lyons Gardens have external restrictions per various U.S. Department of Housing and Urban Development rules and regulations. The accounts of Lyons Gardens are included in the December 31st consolidated financial statements of the Organizations as of its fiscal year end September 30th.

Use of Estimates - The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Accounting - The accompanying consolidated financial statements are prepared on the accrual basis of accounting, which includes recognition of revenues and support and accounts receivable as earned, regardless of when cash is received and expenses and accounts payable as incurred, regardless of when cash is disbursed.

Consolidated Financial Statement Presentation - Net assets, revenue, gains, and losses are classified based on donor (or certain grantor) imposed restrictions. Accordingly, net assets of the Organizations and changes therein are classified and reported as:

FAMILY ELDERCARE, INC. AND AFFILIATE
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NOTE 2: Summary of Significant Accounting Policies (continued)

Net Assets Without Donor Restrictions: Net assets available for use in general operations are not subject to donor (or certain grantor) restrictions. This includes any board designated net assets for specific purposes, as the Board of Directors may reverse these restrictions at any time in the future. Net assets without donor restrictions include the revenues and expenses of the primary operations of the Organizations. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve.

Net Assets With Donor Restrictions: Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash, Cash Equivalents, and Restricted Cash - For the purpose of the consolidated statement of cash flows, money market funds and highly liquid investments with an initial maturity of three months or less are considered to be cash equivalents, unless designated for investment purposes.

Receivables and Credit Policies - Receivables consist of amounts due the Organizations for past events or services rendered. Receivables are determined to be past due and thus delinquent depending on how recently payments have been made. The Organizations value receivables by providing for uncollectible accounts through the allowance method. Under this method, a provision for credit losses is charged to expense and the allowance account increased based on past collection history, current conditions reasonable and supportive forecasts, and management's evaluation of receivables. Amounts considered uncollectible are charged against the allowance account and recoveries of previously charged off accounts are added to the account. At year-end, an allowance for credit losses related to fees for services and contracts is reported in the consolidated financial statements, but no allowance for uncollectible accounts for grants or contributions receivable is considered necessary. The allowances reported in the consolidated financial statements are considered accounting estimates. The estimates may be adjusted as more current information becomes available and an adjustment could be significant. At December 31, 2024 and 2023, the allowance was \$0.

Fair Value Measurements - Investments include various types of securities in various companies within various markets that are considered available-for-safe securities and each is carried at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GAAP establishes a fair value hierarchy which gives the highest priority to observable inputs such as quoted prices in active markets for identical assets or liabilities (Level 1), the next highest priority to inputs from observable data other than quoted prices (Level 2), and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability.

FAMILY ELDERCARE, INC. AND AFFILIATE
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024 AND 2023

NOTE 2: Summary of Significant Accounting Policies (continued)

Investments - Investments are reported at fair value and consist of money funds, mutual funds, stock, and exchange traded products. Investment income is reported in the consolidated statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Fixed Assets - The Organizations record fixed asset additions at cost, or if donated, at the estimated fair value on the date of donation. Depreciation expense is computed using the straight-line method over the estimated useful service life of the asset (5 to 10 years for appliances, furniture, and equipment, 25 year for land improvements, and 30 to 40 years for buildings). Depreciation expense and accumulated depreciation reported in the consolidated financial statements are considered accounting estimates. The estimates may be adjusted as more current information becomes available and any adjustment could be significant.

Maintenance and repairs are charged to expenses as the expense is incurred. Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. During the year, the Organizations did not adjust the carrying amount of any fixed assets.

Revenue Recognition - Contributions and grants received (including unconditional promises to give) are recorded as support with donor restrictions, or without donor restrictions, in the period received depending on the existence and/or nature of any donor restrictions. Promises to give are recognized as revenue only if sufficient evidence exists in the form of verifiable documentation that a promise was made and received. The Organizations report contributions as restricted support if the support is received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized.

A portion of the Organizations' revenue is derived from cost-reimbursable contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organizations have incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the consolidated statement of financial position.

Program revenue is recognized when earned. Program service fees and payments received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively.

FAMILY ELDERCARE, INC. AND AFFILIATE
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024 AND 2023

NOTE 2: Summary of Significant Accounting Policies (continued)

Rental income is recognized as rentals become due. Rental payments received in advance are deferred until earned. Rental income is recorded net of vacancies. Under the regulatory agreement, Lyons Gardens may not increase rents charged to tenants without HUD approval. A non-revenue producing unit is provided to the manager.

Economic Concentrations - Lyons Gardens' primary asset is its 54-unit apartment project. Its operations are concentrated in the multifamily housing real estate market. In addition, Lyons Gardens operates in a regulated environment. The operations are subject to the administrative directives, rules and regulations of federal, state, and local regulatory agencies, including, but not limited to, HUD. Such administrative directives, rules, and regulations are subject to change by an act of Congress, or an administrative change mandated by HUD. Such changes may occur with little notice or with inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

Financial Instruments and Credit Risk - Financial instruments which potentially subject the Organizations to credit risk consist of cash and cash equivalents, receivables, and investments. Cash and cash equivalents are maintained at high credit quality financial institutions. From time to time, bank balances may exceed the Federal Deposit Insurance Corporation (FDIC) insured limits. The Organizations' bank deposits exceeded the federal depository insurance limits by \$825,306 as of December 31, 2024. The Organizations generally do not maintain collateral for its receivables, but periodically review its receivables and provide an allowance, when necessary, against amounts estimated to be uncollectible.

Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the near-term could materially affect the amounts reported in the consolidated statement of financial position. The Organizations do not believe significant credit risk exists as of December 31, 2024 and 2023.

Functional Allocation of Expenses - The costs of program and supporting services have been summarized on a functional basis in the consolidated statement of activities. The consolidated statement of functional expenses reports the natural classification detail of expense by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses identified with a specific program or that relate to a specific source of revenue are allocated directly to that program. Personnel costs have been allocated based on time and effort spent in each area. The Organizations allocate common costs, such as rent, telephone, supplies, etc., to their various programs, the management of the organization, and fund-raising activities. Formulas, based on the number of employees assigned the activity, the square footage used by the activity, the number of clients served, etc., are developed that reflect the benefit received by the activity from the common costs. The formulas are reviewed periodically and adjusted as more current information becomes available and any adjustment could be significant. Management and general operations expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organizations.

FAMILY ELDERCARE, INC. AND AFFILIATE
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024 AND 2023

NOTE 2: Summary of Significant Accounting Policies (continued)

Federal Income Taxes - Family Eldercare and Lyons Gardens are exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code on any income related to their exempt purpose. However, income generated by unrelated business activities are subject to tax. Certain activities conducted by the Organizations' bingo activities are subject to an unrelated business income tax. Each organization is classified by the Internal Revenue Service as an organization other than a private foundation.

The Organizations have adopted the recognition requirements for uncertain income tax positions as required by GAAP, with no cumulative effect adjustment required. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more likely than not be sustained upon examination by taxing authorities. The Organizations have analyzed the tax positions taken in their filings with the Internal Revenue Service and state jurisdictions where it operates and believes that their income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Organizations' financial position, changes in net assets, or cash flows. Accordingly, the Organizations have not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at December 31, 2024. The Organizations are subject to income tax audits for the previous three years which are open. There are currently no income tax audits for any tax periods in progress.

Contributed Non-Financial Assets - Contributed services are reported as revenue in the accompanying consolidated financial statements, if the services either (a) create or enhance a non-financial asset or (b) require specialized skills, are provided by those possessing those skills, and would otherwise need to be purchased, if they were not donated. The value of contributed services reported is considered an accounting estimate. The estimates may be adjusted as more current information becomes available and any adjustment could be significant.

Significant Accounting Pronouncements - Effective January 1, 2024, the Organizations adopted the provisions of FASB ASC Topic 326, *Financial Instruments—Credit Losses: Measurement of Credit Losses on Financial Instruments (ASU 2016-13)*. This update establishes the current expected credit loss (CECL) model established by ASU 2016-13, which requires the immediate recognition of estimated expected credit losses over the life of a financial instrument, including trade receivables, net investments in leases (for lessors with sales-type or direct financing leases), and certain off-balance sheet credit exposures. The estimate of expected credit losses considers historical information as well as current and future economic conditions and events. The impact of the adoption was not considered material to the consolidated financial statements.

Subsequent Events - Management of the Organizations has evaluated subsequent events for disclosure through the date of the Independent Auditors' Report, the date the consolidated financial statements were available to be issued. See Note 17.

FAMILY ELDERCARE, INC. AND AFFILIATE
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NOTE 3: Contributed Non-Financial Assets

Contributed goods and services reported by Family Eldercare under the Housing and Community Service program and the fundraising supporting service in the consolidated statement of functional expenses primarily includes donated fans and gift cards, valued at \$124,124 and \$47,112, for the years ended December 31, 2024 and 2023. The donated fans are valued at the cost for similar fans and the gift cards are valued at the dollar amounts on the gift cards being donated. Additionally, many individuals from the community volunteer their time and perform a variety of tasks that assist Family Eldercare with its programs. During the years ended December 31, 2024 and 2023, Family Eldercare benefited from more than 88 and 103 volunteers and 2,293 and 1,521 volunteer hours, respectively; however, the consolidated financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by U.S. GAAP.

NOTE 4: Fair Value Measurements and Disclosures

The following table represents assets reported on the consolidated statement of financial position at their fair value as of December 31, 2024, by level within the fair value measurement hierarchy.

	Total	Fair Value Measurement		
		Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money funds	\$ 222,113	\$ -	\$ 222,113	\$ -
Mutual funds	548,253	360,526	187,727	-
Exchange traded products	256,586	256,586	-	-
Total investments	<u>\$ 1,026,952</u>	<u>\$ 617,112</u>	<u>\$ 409,840</u>	<u>\$ -</u>

The following table represents assets reported on the consolidated statement of financial position at their fair value as of December 31, 2023, by level within the fair value measurement hierarchy.

	Total	Fair Value Measurement		
		Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money funds	\$ 89,565	\$ -	\$ 89,565	\$ -
Mutual funds	517,316	517,316	-	-
Exchange traded products	343,372	343,372	-	-
Total investments	<u>\$ 950,253</u>	<u>\$ 860,688</u>	<u>\$ 89,565</u>	<u>\$ -</u>

FAMILY ELDERCARE, INC. AND AFFILIATE
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NOTE 4: Fair Value Measurements and Disclosures (continued)

A significant portion of the Organizations' investment assets are classified within Level 1 because they comprise of marketable securities with readily determinable fair values based on daily quoted values.

The fair value of the Organizations' current assets and liabilities approximate the carrying amounts of such instruments due to their short maturity.

NOTE 5: Cash and Cash Equivalents and Investments-Designated or Restricted

Under the HUD Regulatory Agreement, Lyons Gardens is required to establish and maintain a replacement reserve account for the replacement of property and other project expenditures as approved by HUD. Lyons Gardens is also required to complete a computation of surplus cash. Surplus cash is the cash remaining after all expenses of the project are paid less current obligations of the current reporting period. If surplus cash exists, Lyons Gardens is required to deposit surplus cash into a residual receipts account within 60 days of Lyons Gardens' year-end. Restricted funds are held in separate accounts, and generally are not available for operating purposes. Additionally, HUD requires that tenants' deposits be held in a separate bank account.

Family Eldercare designates amounts based on donor restrictions or board approval for specific purposes. At December 31, 2024 and 2023, the Organizations had cash and cash equivalents and investments designated (by the Organizations) or cash and cash equivalents restricted (by third- parties) for the following purposes:

<u>Family Eldercare</u>	<u>2024</u>	<u>2023</u>
Investments designated for:		
Operating reserves	\$ 1,026,952	\$ 950,253
<u>Lyons Gardens</u>		
Tenant security deposits held	15,296	14,600
Residual receipts reserve	972	14,949
Replacement reserve	190,783	176,514
Total Lyons Garden funds	<u>207,051</u>	<u>206,063</u>
Total designated or restricted funds	<u>\$ 1,234,003</u>	<u>\$ 1,156,316</u>

FAMILY ELDERCARE, INC. AND AFFILIATE
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NOTE 6: Receivables

Receivables reported by Family Eldercare and Lyons Gardens, all expected to be collected within one year, are as follows at December 31, 2024 and 2023:

<u>Family Eldercare</u>	2024	2023
Program service fees	\$ 299,128	\$ 336,499
Less: allowance or credit losses	-	-
Net program service fees	299,128	336,499
Grants and contracts	1,435,347	2,171,056
Pledge receivables	26,110	-
Total Family Eldercare receivables, net	1,760,585	2,507,555
<u>Lyons Gardens</u>		
Tenant receivables (no allowance deemed necessary)	9,804	12,220
Total receivables, net	\$ 1,770,389	\$ 2,519,775

NOTE 7: Endowment Funds - Austin Community Foundation

In October 2006, Family Eldercare Endowment Fund was established with the Austin Community Foundation (ACF). As an endowed fund with ACF, the assets are held irrevocably with ACF and are managed to accomplish the designated charitable purpose – to provide general support for the organization. The amount available to grant from the Endowment Fund is determined by the ACF Board of Governors’ spending policy, which currently allows for 5% of the Fund’s value at December 31st to be available to grant in the following year.

The fund’s assets are not recorded in the consolidated statement of financial position since Family Eldercare has granted variance power to the Austin Community Foundation. The Family Eldercare Endowment Fund is subject to the provision of the articles of incorporation and bylaws of the Austin Community Foundation, including the power reserved by their Board of Governors to modify any condition or restriction on the distribution of funds if in its sole judgment (without the approval of any trustee, custodian, or agent), such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the area served the ACF.

	2024	2023
Beginning Balance	\$ 114,336	\$ 101,238
Contributions	-	-
Investment earnings (loss)	12,495	14,427
Expenses and fees	(1,441)	(1,329)
Balance at year end	\$ 125,390	\$ 114,336

FAMILY ELDERCARE, INC. AND AFFILIATE
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 8: Fixed Assets

The following is a summary of fixed assets reported in the consolidated financial statements as of December 31, 2024:

	Family Eldercare	Lyons Gardens	Total
Land	\$ 293,485	\$ 270,382	\$ 563,867
Office building and apartments	1,746,600	5,568,716	7,315,316
Furniture and equipment	628,528	308,625	937,153
Construction in progress	131,250	-	131,250
Total fixed assets	<u>2,799,863</u>	<u>6,147,723</u>	<u>8,947,586</u>
Less: accumulated depreciation	<u>(1,380,393)</u>	<u>(2,973,943)</u>	<u>(4,354,336)</u>
Net fixed assets	<u>\$ 1,419,470</u>	<u>\$ 3,173,780</u>	<u>\$ 4,593,250</u>

The following is a summary of fixed assets reported in the consolidated financial statements as of December 31, 2023:

	Family Eldercare	Lyons Gardens	Total
Land	\$ 293,485	\$ 270,383	\$ 563,868
Office building and apartments	1,746,600	5,526,018	7,272,618
Furniture and equipment	624,162	303,676	927,838
Construction in progress	374,208	-	374,208
Total fixed assets	<u>3,038,455</u>	<u>6,100,077</u>	<u>9,138,532</u>
Less: accumulated depreciation	<u>(1,307,225)</u>	<u>(2,808,344)</u>	<u>(4,115,569)</u>
Net fixed assets	<u>\$ 1,731,230</u>	<u>\$ 3,291,733</u>	<u>\$ 5,022,963</u>

Depreciation expense for the year ended December 31, 2024 and 2023, was \$238,767 and \$253,860.

NOTE 9: Accrued Management Fee Payable

Lyons Gardens has contracted with Alpha-Barnes Real Estate Services, LLC to provide management services. The charges for these services are based upon a management agreement. The charges are 6% of collected rental and miscellaneous income. For the period ended September 30, 2024 and 2023, management fees charged amounted to \$32,869 and \$28,681, respectively. The balance owed to Alpha-Barnes Real Estate Services, LLC at September 30, 2024 and 2023, was \$2,789 and \$2,715, respectively.

FAMILY ELDERCARE, INC. AND AFFILIATE
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NOTE 10: Deferred Revenue

The activity and balances for deposits and deferred revenue from contracts with customers are shown in the following table.

	Contracts and Grants	Rental Income	Total
Balance at December 31, 2023	\$ 806,610	\$ 12,869	\$ 819,479
Revenue recognized	(859,631)	(12,869)	(872,500)
Payments received for future performance obligations	74,252	9,638	83,890
Balance at December 31, 2024	<u>\$ 21,231</u>	<u>\$ 9,638</u>	<u>\$ 30,869</u>
	Contracts and Grants	Rental Income	Total
Balance at December 31, 2022	\$ 445,182	\$ 13,008	\$ 458,190
Revenue recognized	(1,357,061)	(13,008)	(1,370,069)
Payments received for future performance obligations	1,718,489	12,869	1,731,358
Balance at December 31, 2023	<u>\$ 806,610</u>	<u>\$ 12,869</u>	<u>\$ 819,479</u>

NOTE 11: Line of Credit and Long-Term Debt

On October 12, 2022, Family Eldercare entered into a revolving line of credit agreement with a financial institution, for a line of credit up to \$1,000,000. Interest is payable monthly and matures on March 20, 2026. The line of credit agreement has been renewed annually and at December 31, 2024 and 2023, the balance was \$886,382 and \$400,000, respectively.

At December 31, 2024 and 2023, Long-Term Debt reported in the consolidated financial statements consists of the following:

	2024	2023
Secured promissory note payable to Petros PACE Finance, LLC, dated April 20, 2016, original amount of \$262,906, payable annually in twenty equal installments of principal and interest of \$23,445, collateral is building located at 1700 Rutherford Lane, Austin, Texas.	<u>\$ 182,289</u>	<u>\$ 193,577</u>
Less: current portion	(11,997)	(11,288)
Total long-term debt, net of current portion	<u>\$ 170,292</u>	<u>\$ 182,289</u>

FAMILY ELDERCARE, INC. AND AFFILIATE
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NOTE 11: Line of Credit and Long-Term Debt (continued)

The future maturities of debt are as follows:

Year ending December 31:	
2025	\$ 11,997
2026	12,752
2027	13,552
2028	14,403
2029	15,307
Thereafter	114,278
Total	<u><u>\$ 182,289</u></u>

NOTE 12: Retirement Plan

Family Eldercare implemented a 403(b) contribution pension plan for eligible employees. Employees may contribute to the pension plan and Family Eldercare may match the employee contribution up to 5% of their compensation. Vesting in the plan is 50% after the second year of employment and 100% after the third year of employment. For the year ending December 31, 2024 and 2023, Family Eldercare contributed to the plan \$106,944 and \$109,694, respectively. Non-vested amounts in the plan are reallocated among the participants on an annual basis. Family Eldercare incurs no unfunded future costs under the pension plan.

NOTE 13: Capital Advances and Other Long-Term Liabilities

At December 31, 2024 and 2023, capital advances and other long-term liabilities reported in the consolidated financial statements consists of the following:

Lyons Gardens:	2024	2023
Section 202 of the National Housing Act authorized HUD to provide funds as capital advances to nonprofit owners of new construction of supportive housing facilities. Capital advances bear no interest and repayment is not required as long as the housing remains available for very low-income elderly persons for at least 40 years in accordance with Section 202 of the National Housing Act, the Regulatory Agreement, and HUD regulations. Failure to keep the housing available for elderly persons would result in HUD billing the owner for the entire capital advance plus 5.375% interest since the date of the first advance. The capital advance is classified in the statement of financial position as debt. The maturity date of the capital advance is June 1, 2044.	\$ 3,363,967	\$ 3,363,967

FAMILY ELDERCARE, INC. AND AFFILIATE
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NOTE 13: Capital Advances and Other Long-Term Liabilities (continued)

	2024	2023
The Austin Housing Finance Corporation has made a zero percent interest loan to Lyons Gardens for the purpose of constructing. The loan will be in the form of a zero percent loan which shall be repayable upon the earlier of the sale, transfer of title, or change in the use of the property, the date on which the property ceases to be affordable to low-income tenants, or material noncompliance with the terms of agreement by recipient or its agents or subcontractors. If any of these conditions occur, the principal amount shall be repaid in full.	\$ 800,000	\$ 800,000
	\$ 4,163,967	\$ 4,163,967

The contingencies noted above would be the responsibility of Lyons Gardens. Family Eldercare, as the HUD designated sponsor of Lyons Gardens, is not a party to the mortgage note resulting from the capital advance or the note payable to Austin Housing Finance Corporation and; thus, does not have any contingent liability. The grants obtained by Family Eldercare, on behalf of and for the benefit of Lyons Gardens, would be the responsibility of Lyons Gardens should the complex not meet its obligations under the grants.

NOTE 14: Net Assets with Donor Restrictions

At December 31, 2024 and 2023, net assets with donor restrictions are restricted for the following purpose or

	2024	2023
Subject to expenditure for specified purpose:		
Direct assistance	\$ 79,068	\$ 14,254
Total net assets with donor restrictions	\$ 79,068	\$ 14,254

Net assets of \$1,562,900 and \$112,282 were released from donor restrictions by incurring expenses satisfying the restricted purpose or occurrence of the passage of time or other events specified by the donors as follows for the year ended December 31, 2024 and 2023.

NOTE 15: Guardianship Services Program

The Guardianship Services program provides legal guardianship protections for those who lack the mental capacity to make decisions (due to age, illness, or disability) and are at risk of abuse, neglect, and/or financial exploitation. Family Eldercare’s Guardianship Program operates under the Judicial Branch Certification Commission (JBCC) of the State of Texas which has certain annual reporting requirements. Each individual employee or volunteer providing guardianship services must be licensed through the JBCC.

FAMILY ELDERCARE, INC. AND AFFILIATE
(A Nonprofit Corporation)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024 AND 2023

NOTE 15: Guardianship Services Program (continued)

During 2024, Family Eldercare provided guardianship services for approximately 364 individuals. The assets in the accounts owned by the individuals in the program are not included in Family Eldercare’s statement of financial position because Family Eldercare has no ownership in these accounts. The total of the accounts under the Guardianship Services program at December 31, 2024 and 2023, was approximately \$8.2 million and \$7.5 million, respectively. The individual accounts are periodically audited by the JBCC and Family Eldercare has bond coverage in the amount of \$25 million at December 31, 2024 and 2023, to cover any losses.

NOTE 16: Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position date, comprise the following:

	2024	2023
Cash and cash equivalents	\$ 1,220,709	\$ 2,093,806
Receivables, net	1,770,389	2,519,775
Investments	1,026,952	950,253
Current financial assets at year end	4,018,050	5,563,834
Less: Assets unavailable for general expenditures within one year due to:		
Board designated assets	(1,026,952)	(950,253)
Restricted by donor with purpose restrictions	(79,068)	(14,254)
Financial assets available to met cash needs for general expenditures within one year	\$ 2,912,030	\$ 4,599,327

As part of the Organizations’ liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, Family Eldercare has a \$1,000,000 line of credit which it could draw upon. Additionally, Family Eldercare has designated investments of \$950,253. Although the Organizations do not intend to spend from its designated investment account other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts could be made available if necessary.

NOTE 17: Subsequent Event

In April 2025, Family Eldercare exited the project with Real Street Supportive Housing which has the stated purpose of providing affordable housing in Travis County, Texas. To exit the project, Family Eldercare signed an termination agreement and paid \$156,735 to the site partner.

FEDERAL COMPLIANCE SECTION



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors
Family Eldercare, Inc.
Austin, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the consolidated financial statements of Family Eldercare, Inc. (Family Eldercare), which comprise the consolidated statement of financial position as of December 31, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated August 21, 2025.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Family Eldercare's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Family Eldercare's internal control. Accordingly, we do not express an opinion on the effectiveness of Family Eldercare's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Family Eldercare's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of consolidated financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Atchley & Associates LLP

Austin, Texas
August 21, 2025



**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

Board of Directors
Family Eldercare, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Family Eldercare, Inc.'s (Family Eldercare) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2024. Family Eldercare's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Family Eldercare complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Family Eldercare and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Family Eldercare's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Family Eldercare's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Family Eldercare's compliance based on our audit. 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 GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Family Eldercare's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Family Eldercare's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Family Eldercare's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Family Eldercare's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Atchley & Associates LLP

Austin, Texas
August 21, 2025

FAMILY ELDERCARE, INC. AND AFFILIATE
(A Nonprofit Corporation)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2024

Federal Grantor Pass Through Grantor/ Program Title	Term	Award Number	Federal AL Number	Federal Expenditures	Passed through to Subrecipients
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Passed Through City of Austin, Housing and Planning Department Community Development Block Grant	10/01/2024 - 09/30/2025	B-21-MC-48-0500	14.218	\$ 122,847 122,847	\$ - -
Texas Department of Housing & Community Affairs Emergency Solutions Grant Program - CARES 3	04/01/2023 - 03/31/2024	E-20-DW-48-0001	14.231	228,117 228,117	- -
Direct Continuum of Care Program	11/01/2024 - 10/31/2027	TX0659H6J032200	14.267	16,871 16,871	- -
Total U.S. Department of Housing and Urban Development					
U.S. DEPARTMENT OF TREASURY					
Passed Through Texas Department of Housing & Community Affairs Emergency Rental Assistance Round 2 (ERA-2)	03/31/2022 - 09/30/2025	20220000026	21.023	639,085	-
Total U.S. Department of Treasury					
U.S. DEPARTMENT OF VETERANS AFFAIRS					
Direct VA Homeless Providers Grant and Per Diem Program	10/23/23 - 09/30/2025	FMEC387-2217-674-CM-22	64.024	91,083	-
Total U.S. Department of Veterans Affairs					
Total Expenditures of Federal Awards				\$ 1,098,003	\$ -

FAMILY ELDERCARE, INC. AND AFFILIATE
(A Nonprofit Corporation)
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2024

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Family Eldercare, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Subpart F Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, and Cost Principles*, therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the consolidated financial statements.

NOTE B - INDIRECT COST RATE

Family Eldercare, Inc. has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

FAMILY ELDERCARE, INC. AND AFFILIATE
(A Nonprofit Corporation)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2024

I. Summary of Auditors' Results	<u>Description</u>				
Consolidated financial statements					
a. Type of auditors' report issued	Unmodified				
Internal control over financial reporting:					
b. Material weakness(es) identified?	None				
c. Significant deficiency(ies) that are not considered to be material weaknesses?	None reported				
d. Noncompliance material to the consolidated financial statements noted?	No				
Federal awards					
Internal control over major programs:					
e. Material weakness(es) identified?	None				
f. Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported				
g. Type of auditors' report issued on compliance for major programs	Unmodified				
h. Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	No				
i. Major federal program(s) were:					
<table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;">AL No.</th> <th style="text-align: left; border-bottom: 1px solid black;">Name of Program</th> </tr> </thead> <tbody> <tr> <td style="padding-left: 20px;">21.023</td> <td style="padding-left: 20px;">Emergency Rental Assistance Programs</td> </tr> </tbody> </table>	AL No.	Name of Program	21.023	Emergency Rental Assistance Programs	
AL No.	Name of Program				
21.023	Emergency Rental Assistance Programs				
j. Dollar threshold considered between Type A and Type B federal programs:	\$750,000				
k. Auditee qualified as low risk?	Yes				
II. Findings Relating to the Consolidated Financial Statements which are required to be reported in Accordance with Generally Accepted <i>Government Auditing Standards</i>					
None					
III. Findings and Questioned Costs for Federal Awards					
None					

FAMILY ELDERCARE, INC. AND AFFILIATE
(A Nonprofit Corporation)
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended December 31, 2024

There were no prior year findings.