



REPORTS OF INDEPENDENT AUDITORS
AND FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION

SHARE, INC.

December 31, 2019 and 2018



MOSSADAMS

Table of Contents

	PAGE
Report of Independent Auditors	1–2
Financial Statements	
Statements of financial position	3
Statements of activities	4
Statements of functional expenses	5–6
Statements of cash flows	7
Notes to financial statements	8–22
Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	23–24
Report of Independent Auditors on Compliance for the Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	25–26
Schedule of Findings and Questioned Costs	27
Supplementary Information	
Schedule of expenditures of federal awards	28
Notes to schedule of expenditures of federal awards	29

Report of Independent Auditors

The Board of Directors
Share, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Share, Inc. (Share or the Organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses, and cash flows 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit 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 Organization'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 Organization'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 Share as of December 31, 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.

Other Matters

2018 Financial Statements

Other auditors previously audited Share's 2018 financial statements and expressed an unmodified audit opinion in their report dated July 10, 2019. We were not engaged to audit, review, or apply any procedures to the 2018 financial statements of Share and, accordingly, we do not express an opinion or any other form of assurance on the 2018 financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming an opinion on the 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*, is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 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 May 28, 2020 on our consideration of Share's 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 Share's 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 Share's internal control over financial reporting and compliance.

Moss Adams LLP

Portland, Oregon
May 28, 2020

Share, Inc.
Statements of Financial Position

ASSETS

	December 31,	
	2019	2018
Cash and cash equivalents	\$ 838,330	\$ 1,028,124
Contract and grant payments receivable	1,366,580	1,452,859
Contributions receivable	14,000	15,350
Prepaid expenses and other assets	60,060	64,887
Beneficial interest held by others	1,328,103	1,181,110
Property and equipment, net	<u>6,676,559</u>	<u>6,417,653</u>
Total assets	<u>\$ 10,283,632</u>	<u>\$ 10,159,983</u>

LIABILITIES AND NET ASSETS

	December 31,	
	2019	2018
LIABILITIES		
Accounts payable and accrued liabilities	\$ 365,659	\$ 341,370
Accrued payroll and related expenses	378,885	327,589
Deferred revenue	29,310	18,397
Funds held on behalf of others	<u>310,810</u>	<u>364,474</u>
Total liabilities	<u>1,084,664</u>	<u>1,051,830</u>
NET ASSETS		
Without donor restrictions		
Available for programs and general operations	7,585,035	7,746,598
Designated by the Board of Directors	<u>1,018,644</u>	<u>818,778</u>
	<u>8,603,679</u>	<u>8,565,376</u>
With donor restrictions	<u>595,289</u>	<u>542,777</u>
Total net assets	<u>9,198,968</u>	<u>9,108,153</u>
Total liabilities and net assets	<u>\$ 10,283,632</u>	<u>\$ 10,159,983</u>

Share, Inc.

Statements of Activities

	Year Ended December 31, 2019			Year Ended December 31, 2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS (LOSSES), AND OTHER SUPPORT						
Government grants and contracts	\$ 7,192,341	\$ -	\$ 7,192,341	\$ 7,051,786	\$ -	\$ 7,051,786
Private grants and contributions	592,670	118,973	711,643	657,612	374,364	1,031,976
In-kind contributions	773,060	-	773,060	900,882	-	900,882
Special events	527,782	-	527,782	467,390	11,500	478,890
Investment return (loss), net	112,875	34,379	147,254	(54,932)	(18,842)	(73,774)
Rental income	183,307	-	183,307	169,232	-	169,232
Other revenue	207,201	-	207,201	117,198	-	117,198
Total revenues, gains (losses), and other support	9,589,236	153,352	9,742,588	9,309,168	367,022	9,676,190
NET ASSETS RELEASED FROM RESTRICTIONS	100,840	(100,840)	-	186,277	(186,277)	-
Total revenues, gains (losses), other support and net assets released from restrictions	9,690,076	52,512	9,742,588	9,495,445	180,745	9,676,190
EXPENSES						
Program services						
Shelters	1,919,674	-	1,919,674	1,909,142	-	1,909,142
Hunger response	1,022,219	-	1,022,219	1,048,886	-	1,048,886
Supportive services	1,027,755	-	1,027,755	949,720	-	949,720
Transitional and permanent housing	3,901,949	-	3,901,949	3,556,073	-	3,556,073
	7,871,597	-	7,871,597	7,463,821	-	7,463,821
Supporting services						
Management and general	1,066,535	-	1,066,535	1,020,510	-	1,020,510
Fundraising	713,641	-	713,641	641,630	-	641,630
	1,780,176	-	1,780,176	1,662,140	-	1,662,140
Total expenses	9,651,773	-	9,651,773	9,125,961	-	9,125,961
INCREASE IN NET ASSETS	38,303	52,512	90,815	369,484	180,745	550,229
NET ASSETS, beginning of year	8,565,376	542,777	9,108,153	8,195,892	362,032	8,557,924
NET ASSETS, end of year	\$ 8,603,679	\$ 595,289	\$ 9,198,968	\$ 8,565,376	\$ 542,777	\$ 9,108,153

Share, Inc.
Statement of Functional Expenses
Year Ended December 31, 2019

	Program Services					Supporting Services			Total Expenses
	Shelters	Hunger Response	Supportive Services	Transitional and Permanent Housing	Total	Management and General	Fundraising	Total	
Salaries and related expenses	\$ 1,260,313	\$ 218,437	\$ 748,644	\$ 1,120,980	\$ 3,348,374	\$ 686,652	\$ 212,355	\$ 899,007	\$ 4,247,381
Supportive client services	70,540	-	97,018	2,615,229	2,782,787	219	1,704	1,923	2,784,710
Supplies	93,882	249,032	43,718	23,139	409,771	61,761	82,770	144,531	554,302
Contributed services of volunteers and in-kind donations	202,343	403,599	714	4,218	610,874	587	159,496	160,083	770,957
Occupancy	174,175	34,655	30,144	55,934	294,908	68,322	970	69,292	364,200
Professional services	16,710	-	36,014	1,999	54,723	89,181	49,732	138,913	193,636
Fundraising	-	-	-	-	-	1,681	166,294	167,975	167,975
Training and travel	8,768	11,109	17,162	25,877	62,916	10,181	2,904	13,085	76,001
Capital purchases	4,151	-	-	-	4,151	1,232	-	1,232	5,383
Other	42,720	80,412	38,347	25,355	186,834	-	37,416	37,416	224,250
Total expenses before depreciation	1,873,602	997,244	1,011,761	3,872,731	7,755,338	919,816	713,641	1,633,457	9,388,795
Depreciation	46,072	24,975	15,994	29,218	116,259	146,719	-	146,719	262,978
Total expenses	\$ 1,919,674	\$ 1,022,219	\$ 1,027,755	\$ 3,901,949	\$ 7,871,597	\$ 1,066,535	\$ 713,641	\$ 1,780,176	\$ 9,651,773

Share, Inc.
Statement of Functional Expenses
Year Ended December 31, 2018

	Program Services					Supporting Services			Total Expenses
	Shelters	Hunger Response	Supportive Services	Transitional and Permanent Housing	Total	Management and General	Fundraising	Total	
Salaries and related expenses	\$ 1,266,409	\$ 144,908	\$ 589,561	\$ 866,087	\$ 2,866,965	\$ 566,235	\$ 201,219	\$ 767,454	\$ 3,634,419
Supportive client services	10,674	-	235,044	2,554,408	2,800,126	2,835	1,197	4,032	2,804,158
Supplies	127,537	215,342	32,329	21,121	396,329	33,403	15,719	49,122	445,451
Contributed services of volunteers and in-kind donations	196,291	523,424	431	3,466	723,612	24,039	189,680	213,719	937,331
Occupancy	180,539	43,412	47,640	42,650	314,241	168,691	697	169,388	483,629
Professional services	445	538	3,567	3,545	8,095	71,955	-	71,955	80,050
Fundraising	-	-	-	-	-	-	203,721	203,721	203,721
Training and travel	9,340	5,945	18,554	15,322	49,161	7,228	2,140	9,368	58,529
Capital purchases	-	7,585	4,649	1,223	13,457	-	-	-	13,457
Other	78,218	88,610	13,099	22,998	202,925	-	27,257	27,257	230,182
Total expenses before depreciation	1,869,453	1,029,764	944,874	3,530,820	7,374,911	874,386	641,630	1,516,016	8,890,927
Depreciation	39,689	19,122	4,846	25,253	88,910	146,124	-	146,124	235,034
Total expenses	\$ 1,909,142	\$ 1,048,886	\$ 949,720	\$ 3,556,073	\$ 7,463,821	\$ 1,020,510	\$ 641,630	\$ 1,662,140	\$ 9,125,961

Share, Inc.
Statements of Cash Flows

	Years Ended December 31,	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 90,815	\$ 550,229
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	262,978	235,034
Loss on sale of fixed assets	3,783	-
Net change in beneficial interest in assets held by others	(146,993)	65,710
Changes in assets and liabilities:		
Contract and grant payments receivable	86,279	(819,192)
Contributions receivable	1,350	1,460
Prepaid expenses and other assets	4,827	(14,757)
Accounts payable and accrued liabilities	24,289	267,544
Accrued payroll and related expenses	51,296	87,424
Deferred revenue	10,913	7,187
Funds held on behalf of others	(53,664)	(25,141)
Net cash provided by operating activities	<u>335,873</u>	<u>355,498</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(525,667)	(567,996)
Transfers to the Community Foundation for Southwest Washington	-	(190,749)
Net cash used by investing activities	<u>(525,667)</u>	<u>(758,745)</u>
DECREASE IN CASH AND CASH EQUIVALENTS	<u>(189,794)</u>	<u>(403,247)</u>
CASH AND CASH EQUIVALENTS, beginning of year	<u>1,028,124</u>	<u>1,431,371</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 838,330</u></u>	<u><u>\$ 1,028,124</u></u>

Share, Inc.

Notes to Financial Statements

Note 1 – Organization

Share, Inc. (Share or the Organization) was formed in 1979. In 1983, Share became a nonprofit organization in the state of Washington by a group of caring people coming together with the common goal of caring for the homeless and hungry in the Vancouver area. The mission of Share is to lead the hungry and homeless to self-sufficiency by providing food, shelter, housing, education and compassion through the strength of its community. Share envisions a community without hunger, where all people have safe and adequate housing and the skills to enhance their quality of life. Share provides temporary, emergency, transitional and permanent housing as well as food, clothing, street outreach, case management and counseling to men, women and children. During the years ended December 31, 2019 and 2018, the Organization incurred program service expenses in the following major categories:

Shelters

Share provides temporary, emergency housing at three shelters. Share Orchards Inn and Share Homestead shelter homeless families and are operated by the Organization, but owned by the Vancouver Housing Authority. The Share House for single men is both owned and operated by Share. The Organization also operates an overnight shelter at St. Luke's Episcopal Church called Women Housing and Transition (WHAT) and provides staffing support to two winter overflow shelters in partnership with the Council for the Homeless and local churches.

Hunger response

Share provides daily meals for the homeless and low-income members of the community through the Hot Meal program as well as sack meals. The program served approximately 45,000 and 50,000 meals in 2019 and 2018, respectively. Much of the food used in the program is donated through food drives or by area grocery stores or purchased through the Clark County Food Bank and is prepared each day by volunteers and staff.

Research indicates that a child that is even mildly under-nourished during critical periods of growth impacts their behavior, school performance and overall cognitive development. Share's Backpack Program provides weekend food packs to children at 91 schools in nine school districts every week that school is in session. While increased from the original 75 food packs per week to over 1,400 food packs per week, plus over 60 hotel bags for clients living without a kitchen, the program is still meeting less than the need in local area school districts. However, in partnership with two school districts, Share is supplying 28 school food pantries and a mobile food pantry to reduce the number of food packs and focus on increasing fresh food options. Share provides recipes and nutritional information in the food packs.

Share's Summer Lunch Program partners with Vancouver Parks & Recreation, Vancouver and Evergreen School Districts, as well as several church groups and low income apartments to provide meals during a time that children will not receive breakfast or lunch at school. In 2019 and 2018, Share provided approximately 18,000 and 23,000 meals to children and their families for this program.

Note 1 – Organization (continued)

Supportive services

Street Outreach was established in 1996, the result of a taskforce formed by community leaders to find solutions to the issues of transiency in downtown Vancouver. The program provides street outreach services to more than 800 hard-to-reach and hard-to-serve homeless individuals each year. At the Day Center, services such as access to showers, laundry facilities, clothing, mail and transportation are made available on a walk-in basis. In addition, case managers meet with clients on a one-to-one basis to assist them in accessing existing social services, stable housing situations or to assist with whatever needs they may have. Work is focused on the area of addressing issues pertaining to mental illness and alcohol and chemical dependencies, housing and employment.

Share also has received funding for Individual Development Accounts (IDAs) for eligible people in the community. The IDAs are savings accounts for a future asset such as a down payment on a home, to start a business, or to pursue higher education. Share also records a liability for amounts held on behalf of participants in this program. There were 76 savers in 2019, of which, 26 individuals used their accounts to purchase an asset. There were 50 savers in 2018, of which, 19 individuals used their accounts to purchase an asset.

Transitional and permanent housing

Share has a permanent housing first component to this program, providing housing to chronically homeless individuals. In 2019 and 2018, Supportive Services housed 86 and 22, respectively, chronically homeless individuals and has been providing them with on-going support, including rental subsidies. Thirty of the most vulnerable people in the community who are most likely to die on the streets are supported by Share's Supportive Services at Lincoln Place.

Share's Achieving Self-Sufficiency Personal Improvement and Resource Education (ASPIRE) provides supported housing through case management to families and single adults on their way to stability and self-sufficiency. ASPIRE is a coordinated system for providing case management, housing and connection to supportive services in the community for homeless families and individuals. Currently, the ASPIRE program serves 100 households each month. The program served 460 and 198 people in 2019 and 2018, respectively.

Share purchased three homes to provide group living environments for single individuals. Share provides case management to these homes (one serving single women, one serving single men and one serving single Veteran men). An additional home provides housing for a family. Share also owns a duplex of two 3 bedroom homes for families, which are rented at less than half of fair value.

In the fall of 2011, Share began a Housing and Essential Needs Program for individuals found by the State to be temporarily unable to work due to mental or physical health issues. This program was originally an entitlement program offered by the Department of Health and Social Services. In November 2011, it was reallocated to nonprofit organizations and counties across the state as a non-entitlement program that could pay rent, utilities, and provide essential needs, such as hygiene products, toilet paper and other such needs. This program served 124 and 292 clients per month in 2019 and 2018, respectively.

Share, Inc.

Notes to Financial Statements

Note 2 – Summary of Significant Accounting Policies

Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of presentation

Net assets and all balances and transactions are presented based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grantors that may or will be met, either by actions of the Organization or the passage of time. When a restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Also included in this classification are net assets subject to donor-imposed stipulations which must be maintained in perpetuity by the Organization. Generally, the donors of these assets permit the use of all or part of the income earned on any related investments for general or specific purposes.

Cash and cash equivalents

The Organization considers cash to be cash on hand, in checking accounts and savings accounts. Cash equivalents represent short-term, highly liquid investments with original maturities of three months or less. The Organization maintains cash in bank deposit accounts which, at times, may exceed federally insured limits. To date, the Organization has not experienced any losses.

Contract and grant payments receivable

Contract and grant payments receivable are recorded when the Organization incurs allowable expenses that are reimbursable under the provisions of the corresponding grant or other activity. The Organization believes contract and grant payments receivable are fully collectible; therefore, no allowance for uncollectible amounts has been established as of December 31, 2019 or 2018.

Property and equipment

Property and equipment in excess of \$5,000 with useful lives of more than one year are capitalized and recorded at cost or fair value on the date of the gift. Depreciation is computed using straight-line and accelerated methods over the estimated useful life of the assets ranging from 5 to 39 years. Maintenance and repairs are charged to current operations as incurred and major improvements and replacements of property and equipment are capitalized.

Note 2 – Summary of Significant Accounting Policies (continued)

Accounting for long-lived assets

The Organization periodically reviews the recorded value of its long-lived assets. Such assets are generally evaluated for impairment based on the estimated fair value of long-lived assets. In the event that the carrying value of long-lived assets exceeds the estimated fair value, the assets would be written down to fair value. No adjustments due to impairment of long-lived assets were recorded by the Organization at December 31, 2019 or 2018, as management of the Organization is of the opinion that fair value is in excess of the carrying value.

Revenue and revenue recognition

A portion of the Organization's revenue is derived from cost-reimbursable federal and state 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 Organization has incurred expenditures in compliance with specific contract or grant provisions. The Organization had not received any cost-reimbursable grants that have not been recognized at December 31, 2019 because qualifying expenditures have not yet been incurred.

The Organization has adopted Accounting Standards Update (ASU) No. 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)* as management believes the standard improves the usefulness and understandability of the Organization's financial reporting. Adoption of this standard had no impact on the Organization's overall change in net assets or net cash from operating activities.

Private grants and contributions received are recorded as with or without donor restrictions, depending on the existence or nature of donor restrictions and are recorded in the period made. All unconditional contributions and donations received are available for general use unless specifically restricted by the donor. Unconditional promises in the following year are recorded at their net realizable value. Unconditional promises to be received over more than one year are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are to be received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

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. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Share, Inc.

Notes to Financial Statements

Note 2 – Summary of Significant Accounting Policies (continued)

In-kind contributions

Share receives contributions of food, clothing, supplies, materials, rent, advertising and professional services. These contributions represent a significant portion of the Organization's operations, and are reflected as in-kind contributions with offsetting expenses at their estimated fair values (see Note 12).

In-kind contributions of equipment are recorded where there is an objective basis upon which to value these contributions and where the contributions are an essential part of the Organization's activities. No amounts have been recorded in the accompanying financial statements for such in-kind contributions during the years ended December 31, 2019 or 2018.

In addition, the Organization regularly receives contributed services from a large number of volunteers who assist in program activities and other supporting efforts. The value of such services has not been recognized in the accompanying financial statements as it does not meet the criteria for such recognition. Significant services received which create or enhance a non-financial asset or require specialized skills that the Organization would have purchased if not donated are recognized in the statements of activities.

Special events

Revenue is recorded in the period the event occurs. Donations received prior to when the event occurs are recorded in deferred revenue.

Investment return

Investment return (loss) includes realized and unrealized gains and losses, interest, and dividends, net of investment expenses, and are reported as an increase or decrease to the appropriate net asset category.

Outstanding legacies

The Organization is the beneficiary under various will and trust agreements, the total realizable amounts of which are not presently determinable. The Organization's share of such bequests is recorded when the probate courts declare the testamentary instrument valid and the proceeds measurable. Distributions from revocable trusts are recorded as revenue in the period the distribution is received.

Advertising and marketing expenses

Advertising and marketing costs are charged to expense as they are incurred. Advertising expenses for the years ended December 31, 2019 and 2018 totaled \$17,015 and \$32,556, respectively (including donated advertising expenses valued at \$3,879 and \$11,298, respectively).

Functional allocation of expenses

The costs of providing program and supporting services have been summarized on a functional basis in the accompanying statements of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited. Such allocations are determined by management on a reasonable basis that is consistently applied on the basis of estimates of time and effort for all categories other than occupancy which is allocated on the basis of estimates of space, time, and effort.

Note 2 – Summary of Significant Accounting Policies (continued)

Income taxes

The Organization is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3).

The Organization recognizes the tax benefit from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by the tax authorities, based on the technical merits of the position. The tax benefit is measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The Organization recognizes interest and penalties related to income tax matters, if any, in management and general expense.

The Organization had no unrecognized tax benefits at December 31, 2019 or 2018. The Organization files an exempt return in the U.S. federal jurisdiction.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation. These reclassifications had no impact on total net assets or the change in net assets.

Subsequent events

Subsequent events are events or transactions that occur after the statement of financial position date but before the financial statements are available to be issued. The Organization recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of financial position, including the estimates inherent in the process of preparing the financial statements. The Organization's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of financial position but arose after the statement of financial position and before the financial statements are available to be issued.

The Organization has evaluated subsequent events through May 28, 2020, which is the date the financial statements were available to be issued. See Note 16.

Share, Inc.

Notes to Financial Statements

Note 3 – Liquidity and Availability

Financial assets and liquid resources available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following for the years ended December 31:

	2019	2018
Cash and cash equivalents	\$ 838,330	\$ 1,028,124
Contract payments receivable	1,366,580	1,452,859
Contributions receivable	14,000	15,350
	<u>2,218,910</u>	<u>2,496,333</u>
Total financial assets		
	<u>(310,810)</u>	<u>(364,474)</u>
Cash held on behalf of others		
	<u>\$ 1,908,100</u>	<u>\$ 2,131,859</u>
Financial assets available to meet general expenditures within one year		

As part of the Organization's liquidity management plan, cash in excess of daily requirements is invested in money market funds and savings accounts. Although the Organization does not intend to spend from the Board-designated net assets, these amounts could be made available if necessary and totaled \$1,018,644 and \$818,778 at December 31, 2019 and 2018, respectively. See Note 9.

Note 4 – Contract and Grant Payments Receivable

Contract and grant payments receivable consist of the following at December 31:

	2019	2018
Clark County Department of Community Services	\$ 657,832	\$ 447,493
City of Vancouver	431,608	422,539
U.S. Department of Housing and Urban Development	58,683	117,230
Vancouver Housing Authority	23,228	15,653
WA State Department of Commerce	-	195,040
Other	195,229	254,904
	<u>1,366,580</u>	<u>1,452,859</u>
Total		

Note 5 – Beneficial Interest Held by Others

Beneficial interest held by others consists of a pooled investment account managed by the Community Foundation for Southwest Washington (CFSW). The pooled investment account consists of common stocks and other equity securities, fixed income securities, mutual funds, publicly traded partnerships and limited liability companies. The Organization is allocated a prorata portion of interest, dividends, realized and unrealized gains and losses and service fees on a quarterly basis.

The funds were established through a transfer of assets to CFSW in return for the contractual promise of a perpetual stream of future distributions back to Share based on CFSW's spending rate and related policies (described below). Although CFSW accepted the transferred assets subject to its own variance power, the Organization has retained a future economic beneficial interest in the transferred assets, having named itself as the beneficiary of the transferred fund and related future investment return. As of December 31, 2019, management believes that future distributions from CFSW are capable of fulfillment and consistent with CFSW's mission.

Under the terms of its agreement with CFSW, the funds are invested at the discretion of CFSW and are held in a mixture of asset classes designed to maximize return while minimizing risk. The Organization receives semi-annual distributions of investment return from its endowment fund totaling 5% of the fund's value based on a three-year rolling average. The Organization can request distributions in writing from the operating reserve fund at any time.

The balances in these investment funds are as follows as of December 31:

	2019	2018
Operating reserve fund	\$ 266,041	\$ 231,198
Endowment fund	309,467	280,360
Replacement reserve fund	752,595	669,552
	<u>752,595</u>	<u>669,552</u>
Total	<u>\$ 1,328,103</u>	<u>\$ 1,181,110</u>

Note 6 – Fair Value Measurements

GAAP establishes a three-level hierarchy for disclosure of assets and liabilities recorded at fair value. The classification of assets and liabilities within the hierarchy is based on whether the inputs to the valuation methodology used for measurement are observable or unobservable. Observable inputs reflect market-derived or market-based information obtained from independent sources while unobservable inputs reflect estimates about market data.

Share, Inc.

Notes to Financial Statements

Note 6 – Fair Value Measurements (continued)

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities readily accessible at the reporting date.

Level 2 – Pricing inputs are observable for the assets or liabilities, either directly or indirectly, as of the reporting date, but are not the same as those used in Level 1.

Level 3 – Pricing inputs are unobservable for the assets or liabilities and may include significant judgment or estimation.

The Organization used the following methods and significant assumptions to estimate fair value for its assets measured at fair value in the financial statements:

Beneficial interest held by others – The fair value of the beneficial interest in assets held by others is based on the fair value of fund investments as reported by CFSW. The Organization's portion of the pooled investment portfolio is not actively traded and significant other observable inputs are not available. However, the underlying investments of CFSW are measured by management of CFSW using a variety of valuation methods including Level 1, Level 2, and Level 3 inputs. As such, investments held at CSFW are measured at net asset value (NAV). There are no unfunded commitments and the redemption frequency is quarterly. There is no redemption notice period and no other restrictions.

There have been no changes in methodologies used to determine fair value during the years ended December 31, 2019 or 2018.

At December 31, 2019 and 2018, the Organization's assets, which included only the beneficial interest held by others, measured at fair value on a recurring basis totaled \$1,328,103 and \$1,181,110, respectively.

Note 7 – Property and Equipment

Property and equipment consist of the following at December 31:

	<u>2019</u>	<u>2018</u>
Land	\$ 1,288,332	\$ 1,288,332
Building and improvements	7,195,570	6,588,094
Equipment	<u>410,661</u>	<u>502,773</u>
	8,894,563	8,379,199
Less accumulated depreciation	<u>2,218,004</u>	<u>1,961,546</u>
	<u><u>\$ 6,676,559</u></u>	<u><u>\$ 6,417,653</u></u>

Note 7 – Property and Equipment (continued)

Depreciation expense was \$262,978 and \$235,034 for the years ended December 31, 2019 and 2018, respectively.

Note 8 – Net Assets without Donor Restrictions Subject to Requirements

Over its history, Share has received significant financing in the form of grants from government agencies to assist in underwriting the acquisition, development and renovation of its program facilities. If the properties are sold, transferred, refinanced or changed as to use, the grants generally become immediately payable. As of December 31, 2019, Share has complied with all asset restrictions referred to above and also has the intention and ability to continue to comply with those restrictions. Accordingly, no liability has been recorded in the accompanying financial statements.

Share has received grants from the following agencies with continuing compliance requirements as of December 31:

	<u>2019</u>	<u>2018</u>
Washington State Housing Assistance Program and HOME Investment Partnership Program 2 (until 2049)	\$ 763,410	\$ 763,410
Clark County HOME and Community Development Block Grant 3 (until 2038)	198,450	198,450
Clark County Community Development Block Grant 4 (until 2031)	438,250	438,250
City of Vancouver Community Development Block Grant 5 (until 2031)	225,000	225,000
City of Vancouver Affordable Housing Fund Share House Shelter Rehabilitation Grant (until 2038)	<u>156,600</u>	<u>-</u>
	<u><u>\$ 1,781,710</u></u>	<u><u>\$ 1,625,110</u></u>

Share, Inc.

Notes to Financial Statements

Note 9 – Net Assets without Donor Restrictions Subject to Board Restriction

The Board of Directors has restricted the following funds as of December 31:

	2019	2018
General operations	\$ 266,049	\$ 157,850
Restricted operating reserve	<u>752,595</u>	<u>660,928</u>
Total	<u>\$ 1,018,644</u>	<u>\$ 818,778</u>

These funds can be used for general operations if the Board of Directors formally removes their restriction.

Note 10 – Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the following at December 31:

	2019	2018
Restricted for various programs	\$ 285,822	\$ 262,417
Endowment	<u>309,467</u>	<u>280,360</u>
	<u>\$ 595,289</u>	<u>\$ 542,777</u>

Note 11 – Endowments

The Organization's endowment consists of one fund established for a variety of purposes and includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Organization has interpreted the Uniform Prudent Management of Funds Act (UPMIFA or the Act) as requiring the preservation of the fair value of the original gift as of the gift date and the donor-restricted funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions: (a) the original gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Note 11 – Endowments (continued)

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Organization and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Organization
7. The investment policies of the Organization

Return objectives and risk parameters

The Organization has adopted investment policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets that are Board-designated funds. Under this policy, as approved by the Organization, the endowment assets are invested in a manner that is intended to produce results that equal or exceed the long-term certificate of deposit interest rate while assuming a moderate level of investment risk. The Organization expects its endowment funds, over time, to provide an average rate of return of approximately 5% annually. Actual returns in any given year may vary from this amount.

Strategies employed for achieving objective

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization has invested its endowments with a community foundation meeting its overall investment objectives.

Spending policy and how the investment objectives relate to spending policy

The Organization provides funding to its various programs supported by its endowment funds. Those net assets held in perpetuity are held such that the corpus is maintained per the donor restrictions; there is no requirement to increase the corpus through earnings. All earnings are available for expenditure when earned.

Share, Inc.

Notes to Financial Statements

Note 11 – Endowments (continued)

Endowment net assets and changes in endowment net assets for the year ended December 31, 2019 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets at December 31, 2018	\$ 818,778	\$ 280,360	\$ 1,099,138
Contributions	86,991	-	86,991
Investment return, net	112,875	34,379	147,254
Appropriation of endowment for expenditure	-	(5,272)	(5,272)
Endowment net assets at December 31, 2019	<u>\$ 1,018,644</u>	<u>\$ 309,467</u>	<u>\$ 1,328,111</u>

Endowment net assets and changes in endowment net assets for the year ended December 31, 2018 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets at December 31, 2017	\$ 873,710	\$ 100,389	\$ 974,099
Contributions	-	200,000	200,000
Investment loss, net	(54,932)	(18,842)	(73,774)
Appropriation of endowment for expenditure	-	(1,187)	(1,187)
Endowment net assets at December 31, 2018	<u>\$ 818,778</u>	<u>\$ 280,360</u>	<u>\$ 1,099,138</u>

Note 12 – In-Kind Contributions of Food Supplies

The Organization receives substantially all food supplies from the Surplus Food Commodities, local area grocers and public donations. In addition, the Organization is qualified to purchase food from the Clark County Food Bank at a reduced rate. The fair value of donated items and discounts has been estimated and recorded in the accompanying statements of activities. The fair value of such items was approximately \$375,000 and \$566,000 for 2019 and 2018, respectively. The continued availability of these food supply resources is essential to the Organization's program services.

Note 13 – Commitments and Contingencies

Operating leases

The Organization receives rents from various tenants under month-to-month agreements. Total rental income under all agreements for the years ended December 31, 2019 and 2018 was \$183,307 and \$169,232 respectively.

The Organization has entered into various operating lease agreements for its shelters, client housing, and administrative facilities. Certain lease agreements provide the Organization with donated rent which is recorded as in-kind contributions. The leases extend for various periods up to three years. Cash paid for leases was approximately \$167,545 and \$61,329 for 2019 and 2018, respectively.

Future payments due under non-cancelable operating leases having original terms in excess of one year are as follows:

Years ending December 31, 2020	\$ 52,762
2021	4,176
2022	<u>1,044</u>
Total	<u>\$ 57,982</u>

Grant revenues

The grant revenues reported in the accompanying statements of activities are subject to audit and adjustment by grantor agencies. Grant revenues relating to costs, which may be ultimately questioned or disallowed by the grantor agencies, may become a liability of Share as a result of audit findings.

Note 14 – Retirement Plan

The Organization makes available to its regular employees a Simple IRA (the "Plan") and will match eligible employee contributions to the Plan up to 3% of gross salary. Employees are eligible to participate in the Plan after one year of employment with annual earnings of at least \$5,000. Contributions made by the Organization to the Plan were \$62,402 and \$55,424 for the years ended December 31, 2019 and 2018, respectively.

Note 15 – Concentrations

The Organization receives a majority of its revenues from various federal, state and local government agencies, and is subject to certain risks of the legislative process in securing continued funding for the Organization's programs. A significant reduction in the level of this funding could adversely affect the Organization's ability to provide programs and services.

Note 16 – Subsequent Events

Subsequent to December 31, 2019, the World Health Organization declared the novel coronavirus (COVID-19) outbreak a public health emergency. The COVID-19 outbreak has caused disruption through mandated and voluntary closings of various businesses. Given the dynamic nature of these circumstances, it is too early to tell what effect these changes will have on the business in the short term. The Organization will continue to monitor the situation closely, but given the uncertainty about the situation, the Organization is unable to estimate the impact to the financial statements.

In April 2020, the Organization received a Small Business Administration (SBA) Payroll Protection Loan (PPP Loan) under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) of \$718,472. Under the terms of the agreement, the loan accrues interest at 1.0% and payments of principal and interest are due starting November 2020, unless forgiven. The Organization intends to use the proceeds in a manner that will allow forgiveness under the PPP Loan program.

Report of Independent Auditors 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*

The Board of Directors
Share, Inc.

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 financial statements of Share, Inc. (Share or the Organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 28, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Share'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of Share's internal control. Accordingly, we do not express an opinion on the effectiveness of Share'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 Share's 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 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.

Moss Adams LLP

Portland, Oregon
May 28, 2020

Report of Independent Auditors on Compliance for the Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

The Board of Directors
Share, Inc.

Report on Compliance for the Major Federal Program

We have audited Share, Inc.'s (Share or the Organization) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the Organization's major federal program for the year ended December 31, 2019. Share's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Organization's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program occurred. An audit includes examining, on a test basis, evidence about Share's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Share's compliance.

Opinion on the Major Federal Program

In our opinion, Share complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2019.

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Moss Adams LLP

Portland, Oregon
May 28, 2020

Share, Inc.
Schedule of Findings and Questioned Costs
Year Ended December 31, 2019

Section I – Summary of Auditor’s Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes ☒ no
- Significant deficiency(ies) identified? _____ yes ☒ none reported

Noncompliance material to financial statements noted? _____ yes ☒ no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? _____ yes ☒ no
- Significant deficiency(ies) identified? _____ yes ☒ none reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes ☒ no

Identification of major federal programs and type of auditor’s report issued on compliance for major federal programs:

<i>CFDA Number</i>	<i>Name of Major Federal Program or Cluster</i>	<i>Type of Auditor’s Report Issued on Compliance for Major Federal Programs</i>
14.239	Home Investment Partnerships Program	Unmodified

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? ___x___ yes _____ no

Section II – Financial Statement Findings

None reported.

Section III – Federal Award Findings and Questioned Costs

None reported.

Supplementary Information

Share, Inc.
Schedule of Expenditures of Federal Awards
December 31, 2019

Federal Grant/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Amounts Provided to Subrecipients	Federal Expenditures
U.S. Department of Housing and Urban Development Direct Programs: Continuum of Care Program	14.267		\$ -	\$ 587,724
Subtotal U.S. Department of Housing and Urban Development Direct Programs			-	587,724
U.S. Department of Housing and Urban Development Pass-through Programs From:				
CDBG - Entitlement Grants Cluster				
Clark County ASPIRE - Community Development Block Grants/ Entitlement Grants	14.218	1907, 1809	-	60,469
Clark County Elevator Replacement - Community Development Block Grants/Entitlement Grant	14.218	1913	-	20,790
City of Vancouver ASPIRE - Community Development Block Grants/Entitlement Grants	14.218	414845	-	37,356
City of Vancouver Elevator Replacement - Community Development Block Grants/Entitlement Grants	14.218	PRJ100364	-	50,000
City of Vancouver Outreach - Community Development Block Grants/Entitlement Grant	14.218	414837, PRJ100364	-	103,223
Total CDBG - Entitlement Grants Cluster			-	271,838
Clark County HOME - Home Investment Partnerships Program	14.239	18H7, 17H5	-	414,176
City of Vancouver HOME - Home Investment Partnerships Program	14.239	601807, PRJ100366	-	214,364
			-	628,540
Total U.S. Department of Housing and Urban Development			-	1,488,102
U.S. Department of Health and Human Services Direct Programs:				
Injury Prevention and Control Research and State and Community Based Programs	93.136		-	6,383
Assets for Independence Demonstration Program	93.602		-	63,556
Subtotal U.S. Department of Health and Human Services Direct Programs			-	69,939
U.S. Department of Health and Human Services Pass-Through Programs From:				
477 Cluster				
Clark County Health Assister - Community Services Block Grant	93.569	CSBG-03, CSBG-04	-	70,050
Total U.S. Department of Health and Human Services			-	139,989
U.S. Department of Agriculture Direct Programs:				
Child and Adult Care Food Program	10.558		-	80,213
Total expenditures of federal awards			\$ -	\$ 1,708,304

Share, Inc.
Notes of Schedule of Expenditures of Federal Awards
Year Ended December 31, 2019

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Share, Inc. (Share or the Organization) under programs of the federal government for the year ended December 31, 2019. The information in the Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended and does not present the financial position, changes in net assets or cash flows of the Organization.

Note 2 – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Note 3 – Indirect Cost Rate

During the current year, the Organization did not elect to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

