
SENIOR CENTER, INCORPORATED
CHARLOTTESVILLE, VIRGINIA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2008

ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY CERTIFIED PUBLIC ACCOUNTANTS

CHARLOTTESVILLE □ RICHMOND □ FREDERICKSBURG □ VERONA □ CHRISTIANSBURG

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ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS
SENIOR CENTER, INCORPORATED
CHARLOTTESVILLE, VIRGINIA

We have audited the accompanying statement of financial position of the Senior Center, Incorporated (a nonprofit organization) as of March 31, 2008 and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Senior Center, Incorporated (a nonprofit organization) as of March 31, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Robinson, Farmer, Cox Associates

Charlottesville, Virginia
July 23, 2008

Financial Statements

SENIOR CENTER, INCORPORATED

Statement of Financial Position
At March 31, 2008

Assets:	
Cash and cash equivalents	\$ 115,103
Investments	452,685
Grants receivable	5,805
Prepaid expenses	7,050
Land, buildings and equipment net of accumulated depreciation of \$889,169	<u>1,471,013</u>
Total assets	<u>\$ 2,051,656</u>
Liabilities:	
Accrued expenses	\$ 1,251
Travel deposits	31,856
Dues and other items received in advance	<u>83,363</u>
Total liabilities	<u>\$ 116,470</u>
Net assets: (Note 5)	
Unrestricted	\$ 1,843,690
Temporarily restricted	<u>91,496</u>
Total net assets	<u>\$ 1,935,186</u>
Total liabilities and net assets	<u>\$ 2,051,656</u>

The accompanying notes to financial statements are an integral part of this statement.

SENIOR CENTER, INCORPORATED

Statement of Activities
Year Ended March 31, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues, gains and other support:			
Contributions	\$ 372,645	\$ 115,645	\$ 488,290
Dues	139,139	-	139,139
Program fees	75,293	-	75,293
Special events - net of direct expenses of \$5,256	39,162	-	39,162
Grants	88,742	-	88,742
Rentals	29,079	-	29,079
Travel program - net of direct expenses (Note 3)	54,101	-	54,101
Investment returns - net of direct expenses of \$2,479	14,230	-	14,230
Newsletter	21,363	-	21,363
In-kind revenue	37,953	-	37,953
Miscellaneous	4,407	-	4,407
Net assets released from restrictions:			
Restrictions satisfied by payments	<u>72,794</u>	<u>(72,794)</u>	<u>-</u>
 Total revenues, gains and other support	 <u>\$ 948,908</u>	 <u>\$ 42,851</u>	 <u>\$ 991,759</u>
Expenses:			
Program services	\$ 696,243	\$ -	\$ 696,243
Administration and general	63,178	-	63,178
Fundraising	<u>96,796</u>	<u>-</u>	<u>96,796</u>
 Total expenses	 <u>\$ 856,217</u>	 <u>\$ -</u>	 <u>\$ 856,217</u>
 Change in net assets	 <u>\$ 92,691</u>	 <u>\$ 42,851</u>	 <u>\$ 135,542</u>
 Net assets at beginning of year	 <u>\$ 1,750,999</u>	 <u>\$ 48,645</u>	 <u>\$ 1,799,644</u>
 Net assets at end of year	 <u><u>\$ 1,843,690</u></u>	 <u><u>\$ 91,496</u></u>	 <u><u>\$ 1,935,186</u></u>

The accompanying notes to financial statements are an integral part of this statement.

SENIOR CENTER, INCORPORATED

Statement of Functional Expenses

Year Ended March 31, 2008

	<u>Program Services</u>	<u>Administration and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and related benefits:				
Salaries	\$ 288,785	\$ 31,314	\$ 27,835	\$ 347,934
Payroll taxes	23,853	2,586	2,299	28,738
Retirement and life insurance	23,954	2,597	2,309	28,860
Health, dental and disability insurance	16,248	1,762	1,566	19,576
Total salaries and related benefits	\$ 352,840	\$ 38,259	\$ 34,009	\$ 425,108
Professional fees	4,648	504	448	5,600
Program expenses	75,636	-	-	75,636
Office supplies	13,781	1,494	1,328	16,603
Telephone	4,153	450	400	5,003
Postage	2,126	231	205	2,562
Utilities	23,196	2,515	2,236	27,947
Bookkeeping services	5,743	623	554	6,920
Insurance	9,888	1,072	953	11,913
Equipment maintenance and repair	3,603	391	347	4,341
Buildings and grounds maintenance	50,079	5,430	4,827	60,336
Staff training/recruitment	2,578	280	248	3,106
Newsletter	16,259	1,763	1,567	19,589
Fundraising	-	-	40,636	40,636
Promotion and membership	14,629	1,586	1,410	17,626
In-kind expenses	37,953	-	-	37,953
Depreciation	44,644	4,841	4,303	53,788
Market research	16,600	1,800	1,600	20,000
Other	17,887	1,940	1,724	21,550
Total expenses	\$ 696,243	\$ 63,178	\$ 96,796	\$ 856,217

The accompanying notes to financial statements are an integral part of this statement.

SENIOR CENTER, INCORPORATED

Statement of Cash Flows
Year Ended March 31, 2008

Cash flows from operating activities:	
Change in net assets	\$ 135,542
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation	53,788
Investment return on securities	(12,214)
In-kind revenues	(37,953)
In-kind expenses	37,953
(Increase) decrease in:	
Receivables	(805)
Prepaid expenses	(1,161)
Increase (decrease) in:	
Accrued expenses	1,238
Travel deposits	(5,760)
Dues and other items received in advance	(2,748)
	<hr/>
Net cash provided (used) by operating activities	\$ 167,880
Cash flows from investing activities:	
Purchase of fixed assets	\$ (27,340)
Purchase of investments	(126,513)
Proceeds from redemption of investments	25,000
	<hr/>
Net cash provided (used) by investing activities	\$ (128,853)
Net change in cash and cash equivalents	\$ 39,027
Cash and cash equivalents at beginning of year	<hr/> 76,076
Cash and cash equivalents at end of year	<hr/> <hr/> \$ 115,103

The accompanying notes to financial statements are an integral part of this statement.

SENIOR CENTER, INCORPORATED

Notes to Financial Statements
As of March 31, 2008

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Description and Purpose of Organization:

The Senior Center is a non—profit organization which principally serves the population of those age 50 and over in the Thomas Jefferson Planning District Ten. The purpose of the Organization is to enrich the lives of seniors through opportunities for achievement and service.

The Senior Center, Incorporated is a non—profit organization exempt from income tax under section 501(c) (3) of the U. S. Internal Revenue Code and comparable State law. Contributions to the Organization are tax deductible within the limitations prescribed by the Code. The Organization has been classified as a publicly supported organization that is not a private foundation under Section 509 (a) of the Code.

B. Contributions:

Under SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long—lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long—lived assets are reported as restricted support. Absent explicit donor stipulations about how long these long—lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

The Organization maintains an endowment fund as a component of its unrestricted funds, where special or unanticipated gifts are contributed. The goal of the fund is to provide an adequate reserve and smooth flow of distributions to supplement the organization’s operating budget. Distribution guidelines permit withdrawals in an amount equal to 4% of the average of the fair market value of the fund.

C. Financial Statement Presentation:

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

D. Promises to Give:

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor—restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. Unconditional promises to give totaled \$5,805 at March 31, 2008 and are recorded in the financial statements as grants receivable.

SENIOR CENTER, INCORPORATED

Notes to Financial Statements
As of March 31, 2008 (Continued)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

E. Cash and Cash Equivalents:

Cash and cash equivalents consist of all cash, certificates of deposit and highly liquid investments with maturities of three months or less.

F. Investments:

Investments are carried at fair market or appraised value and consist primarily of equities in Mutual funds managed by Mutual of America and the Charlottesville—Albemarle Community Foundation. Realized and unrealized gains and losses are reflected in the statement of activities. The following is a summary of investments at market value at March 31, 2008.

	Mutual of America	Charlottesville- Albemarle Community Foundation	Total
	<u> </u>	<u> </u>	<u> </u>
Bond Securities	\$ 6,111	\$ -	\$ 6,111
Mutual Fund	7,357	303,096	310,453
Money Market	136,121	-	136,121
	<u> </u>	<u> </u>	<u> </u>
Total	\$ 149,589	\$ 303,096	\$ 452,685
	<u> </u>	<u> </u>	<u> </u>

G. Property, Furniture and Equipment:

Property (which includes the building and improvements), furniture, equipment and land are recorded at cost and, if donated, the estimated fair value at the date of donation. Depreciation is computed using the straight line method over the estimated useful lives of the assets, which are summarized below:

Furniture, fixtures and equipment	5-10 Years
Building	40 Years

Depreciation expense totaled \$53,788 for 2008.

H. Donated Services:

A substantial number of unpaid volunteers have made significant contributions of their time to develop the Organization's program services and administrative functions. The value of this contributed time is reflected in these statements as in-kind revenues and expenses for the year ended March 31, 2008. In addition, many individuals volunteer their time and perform a variety of tasks that are vital to the Organization but do not meet the criteria for financial statement recognition.

SENIOR CENTER, INCORPORATED

Notes to Financial Statements
As of March 31, 2008 (Continued)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

I. Rental Income:

Rental income is generated from the lease of certain areas of the Organization's facilities to individuals, private companies and other organizations on a one-time or short-term basis.

J. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2—PROPERTY, FURNITURE AND EQUIPMENT:

Property, furniture and equipment consisted of the following at March 31, 2008:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Basis Remaining</u>
Land	\$ 358,123	\$ -	\$ 358,123
Building	1,762,190	699,333	1,062,857
Furniture and equipment	181,629	161,579	20,050
Computers and software	46,145	28,257	17,888
Construction in progress	12,095	-	12,095
Total	<u>\$ 2,360,182</u>	<u>\$ 889,169</u>	<u>\$ 1,471,013</u>

NOTE 3—MEMBERSHIP TRAVEL PROGRAM:

The Senior Center Membership Travel Program was established by the Senior Center as a separate member service activity. This is a self supporting program but was not organized to produce a profit but instead to offer a service to its members. The Center staff arranges tours and travel activities for groups of member senior citizens. The Fund's activities were previously reported as a separate function and not included in the Organization's financial statements. The Travel Fund's equity and net revenues for 2008 have been included in the statement of activities as an unrestricted revenue source.

SENIOR CENTER, INCORPORATED

Notes to Financial Statements
As of March 31, 2008 (Continued)

NOTE 3—MEMBERSHIP TRAVEL PROGRAM: (CONTINUED)

A summary of Travel Fund financial position and activities follows:

	<u>2008</u>
Assets:	
Cash	\$ 10,680
Deposits	<u>7,050</u>
Total Assets	<u>\$ 17,730</u>
Liabilities:	
Travel deposits	\$ 31,856
Gift Certificates	<u>103</u>
Total Liabilities	<u>\$ 31,959</u>
Equity:	
Fund Balance	<u>\$ (14,229)</u>
Total Liabilities and Equity	<u>\$ 17,730</u>
Revenues:	
Trips and tours, less refunds	<u>\$ 314,858</u>
Expenses:	
Trip and tour expenses	<u>\$ 260,757</u>
Net travel income:	<u>\$ 54,101</u>
Transfers to Senior Center Operations	<u>\$ 72,900</u>

NOTE 4—RETIREMENT PLAN:

All eligible employees participate in a defined contribution retirement plan with Mutual of America. The Senior Center contributes 10% of each eligible employee's salary to the plan. Each employee may contribute up to 20% of their salaries to a separate plan. The plan is fully insured. Total payroll for covered employees was approximately \$240,860 and total payroll for all employees was \$347,934 for 2008. Total employer contributions for the 2008 plan year were \$24,086.

SENIOR CENTER, INCORPORATED

Notes to Financial Statements
As of March 31, 2008 (Continued)

NOTE 5—RESTRICTED/DESIGNATED NET ASSETS:

Temporarily restricted net assets are available for the following purposes:

Program activities:	
Capital Improvements	\$ 86,160
Second Wind Band	300
The Next Chapter	<u>5,036</u>
Total	<u>\$ 91,496</u>

Unrestricted net assets include endowment funds in the amount of \$256,264. These funds are designated for activities as outlined in the endowment fund guidelines.

NOTE 6—IN-KIND REVENUES AND EXPENSES:

During the year ended March 31, 2008, volunteers contributed 1,649 hours of time, which met the criteria for financial statement recognition to the Organization. Of these hours, 201 hours, which were contributed by three volunteers for web design and database administration, have been valued by the Organization at \$50 per hour. The remaining 1,448 hours have been valued at \$19 per hour by the Organization. The Organization has estimated the fair market value of these services as \$37,953.

NOTE 7—INVESTMENTS:

A summary of investment return of the investments held by the Senior Center, Inc. as of March 31, 2008 follows:

	Mutual of America	Charlottesville- Albemarle Community Foundation	Certificates of Deposit
Dividend and Interest Income	\$ 5,517	\$ 7,535	\$ 2,016
Unrealized gain/(loss)	(1,387)	3,028	-
Investment expense	<u>-</u>	<u>(2,479)</u>	<u>-</u>
Net Investment returns	<u>\$ 4,130</u>	<u>\$ 8,084</u>	<u>\$ 2,016</u>