
SENIOR CENTER, INCORPORATED
CHARLOTTESVILLE, VIRGINIA
FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2020

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated financial statements of Senior Center, Incorporated (a nonprofit organization) and Affiliate, which comprise the consolidated statement of financial position as of March 31, 2020, 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.

Management's Responsibility for the 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Senior Center, Incorporated and Affiliate as of March 31, 2020, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on pages 15-18 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.

Report on Summarized Comparative Information

We have previously audited the Senior Center, Incorporated's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 17, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Charlottesville, Virginia
July 1, 2020

- Financial Statements -

SENIOR CENTER, INCORPORATED

Consolidated Statement of Financial Position

At March 31, 2020

(With Comparative Totals for 2019)

	2020	2019
Assets:		
Cash and cash equivalents	\$ 1,360,476	\$ 2,830,525
Contributions receivable, net of allowance of \$50,000 and \$104,688	2,054,530	5,072,438
Other receivables	25,705	16,808
Prepaid expenses	112,157	4,959
Other assets	128,590	-
Beneficial interest in agency fund held by third party	454,907	471,370
Construction in progress	-	3,530,884
Property, furniture, and equipment, net of accumulated depreciation of \$1,681,181 and \$1,616,796	22,283,284	3,423,876
Total assets	\$ 26,419,649	\$ 15,350,860
Liabilities:		
Accounts payable	\$ 965,743	\$ 687,513
Payroll liabilities	22,248	3,922
Retainage payable	398,453	-
Compensated absences	35,345	26,864
Travel deposits	250,071	61,663
Dues and other items received in advance	137,692	106,302
Interest payable	29,754	-
Note payable	9,045,535	-
Total liabilities	\$ 10,884,841	\$ 886,264
Net assets:		
Net assets without donor restrictions	\$ 12,034,347	\$ 6,458,088
Net assets with donor restrictions	3,500,461	8,006,508
Total net assets	\$ 15,534,808	\$ 14,464,596
Total liabilities and net assets	\$ 26,419,649	\$ 15,350,860

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

SENIOR CENTER, INCORPORATED

Consolidated Statement of Activities

Year Ended March 31, 2020

(With Comparative Totals for 2019)

	Without Donor	With Donor	Totals	
	Restrictions	Restrictions	2020	2019
Revenues, gains and other support:				
Contributions	\$ 397,679	\$ 1,423,230	\$ 1,820,909	\$ 8,749,046
Dues	241,764	-	241,764	203,185
Program fees	87,001	-	87,001	89,156
Special events - net of direct expenses of \$3,789 and \$78,378	132,096	-	132,096	137,627
Grants	71,825	29,340	101,165	181,011
Rentals	56,092	-	56,092	50,109
Travel program - net of direct expenses of \$229,698 and \$267,383	86,829	-	86,829	52,814
Investment returns - net of direct expenses of \$5,056 and \$0	(3,654)	-	(3,654)	20,301
Realized gain on sale of assets	-	-	-	10,980
Newsletter	4,950	-	4,950	4,225
In-kind revenue	7,083	-	7,083	64,096
Miscellaneous	252,027	-	252,027	2,044
Net assets released from restrictions:				
Restrictions satisfied by payments	5,958,617	(5,958,617)	-	-
 Total revenues, gains and other support	 \$ 7,292,309	 \$ (4,506,047)	 \$ 2,786,262	 \$ 9,564,594
Expenses:				
Program services:				
Healthy aging	\$ 1,098,208	\$ -	\$ 1,098,208	\$ 1,085,228
Supporting services:				
Management and general	194,166	-	194,166	148,777
Fundraising	423,676	-	423,676	373,916
Total expenses	\$ 1,716,050	\$ -	\$ 1,716,050	\$ 1,607,921
Change in net assets	\$ 5,576,259	\$ (4,506,047)	\$ 1,070,212	\$ 7,956,673
Net assets at beginning of year	\$ 6,458,088	\$ 8,006,508	\$ 14,464,596	\$ 6,507,923
Net assets at end of year	\$ 12,034,347	\$ 3,500,461	\$ 15,534,808	\$ 14,464,596

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

SENIOR CENTER, INCORPORATED

Consolidated Statement of Functional Expenses

Year Ended March 31, 2020

(With Comparative Totals for 2019)

	Program Services		Supporting Services		Totals	
	Healthy	Management	Management	Fundraising	2020	2019
	Aging	and General				
Salaries and related benefits:						
Salaries	\$ 454,706	\$ 136,136	\$ 274,539	\$ 865,381	\$ 680,432	
Payroll taxes	35,299	9,990	21,313	66,602	55,836	
Retirement and life insurance	43,628	12,348	26,341	82,317	47,706	
Health, dental and disability insurance	32,004	9,058	19,323	60,385	57,547	
Total salaries and related benefits	\$ 565,637	\$ 167,532	\$ 341,516	\$ 1,074,685	\$ 841,521	
Program expenses	118,098	-	-	118,098	156,485	
Bad debt	-	-	-	-	91,000	
Depreciation	61,167	2,575	644	64,386	66,124	
In-kind expenses	2,762	-	4,321	7,083	64,096	
Fundraising	-	-	73,933	73,933	61,886	
Office expenses	66,494	2,800	700	69,994	59,292	
Other	45,328	1,909	477	47,714	56,559	
Promotion	62,445	-	-	62,445	37,723	
Utilities	27,361	1,152	288	28,801	28,227	
Scholarships	37,874	-	-	37,874	27,936	
Buildings and grounds maintenance	25,351	1,067	267	26,685	21,295	
Newsletter	29,795	-	-	29,795	20,375	
Bookkeeping	5,019	211	53	5,283	18,910	
Insurance	18,712	788	197	19,697	14,065	
Professional fees	-	14,675	-	14,675	10,768	
Café	8,323	-	-	8,323	9,150	
Telephone	9,982	420	105	10,507	9,047	
Postage	4,238	178	45	4,461	4,971	
Staff training/recruitment	3,944	620	1,070	5,634	4,301	
Membership	5,678	239	60	5,977	4,190	
Total expenses	\$ 1,098,208	\$ 194,166	\$ 423,676	\$ 1,716,050	\$ 1,607,921	

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

SENIOR CENTER, INCORPORATED

Consolidated Statement of Cash Flows Year Ended March 31, 2020 (With Comparative Totals for 2019)

	2020	2019
Cash flows from operating activities:		
Change in net assets	\$ 1,070,212	\$ 7,956,673
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
Depreciation	64,386	66,124
Realized and unrealized (gains) losses	16,463	(13,518)
In-kind revenues	(7,083)	(64,096)
In-kind expenses	7,083	64,096
(Increase) decrease in:		
Contributions receivable	3,017,908	(4,285,153)
Other receivables	(8,897)	(4,170)
Prepaid expenses	(107,198)	(411)
Other assets	(128,590)	-
Increase (decrease) in:		
Accounts payable	278,230	668,675
Payroll liabilities	18,326	2,193
Compensated absences	8,481	2,057
Travel deposits	188,408	40,062
Dues and other items received in advance	31,390	4,014
Interest payable	29,754	-
Net cash provided by (used for) operating activities	\$ 4,478,873	\$ 4,436,546
Cash flows from investing activities:		
Purchase of property, furniture, and equipment	\$ (15,392,910)	\$ (13,020)
Additions to construction in progress	-	(2,781,396)
Additions to retainage payable	398,453	-
Purchase of investments	-	(58,102)
Net cash provided by (used for) investing activities	\$ (14,994,457)	\$ (2,852,518)
Cash flows from financing activities:		
Proceeds from note payable	\$ 9,045,535	\$ -
Net cash provided by (used for) financing activities	\$ 9,045,535	\$ -
Net change in cash and cash equivalents	\$ (1,470,049)	\$ 1,584,028
Cash and cash equivalents at beginning of year	2,830,525	1,246,497
Cash and cash equivalents at end of year	\$ 1,360,476	\$ 2,830,525

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

SENIOR CENTER, INCORPORATED

Notes to Consolidated Financial Statements
As of March 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Description and Purpose of Organization:

Senior Center, Inc. (“The Center”) dba The Center and The Center at Belvedere is a nonprofit organization which principally serves the population of those age 50 and over in the City of Charlottesville, the County of Albemarle, and the surrounding area. The purpose of The Center is to positively impact its community by creating opportunities for healthy aging through social engagement, physical well-being, civic involvement, creativity, and lifelong learning.

The Center is a franchisee of Greenberry’s Coffee Co. which opened a location in June, 2020 at The Center at Belvedere. In an effort to manage liability risk to the corporation an LLC has been created (The Center Café LLC). This entity is fully controlled by The Center as the sole owner. The Executive Director is named as the LLC’s Manager as identified in the Operating Agreement between the LLC and Senior Center Inc.

The LLC has a separate tax ID, separate chart of accounts, separate bank account, separate insurance and is managed as an enterprise of The Center Café upfit and start-up costs to build and equip Greenberry’s were incurred by the Capital Campaign as part of construction.

Greenberry’s at The Center operates as a lessee of the space from The Center.

B. Basis of Accounting:

The financial statements of The Center have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other assets/liabilities.

C. Concentrations of Credit Risk:

The Center maintains its cash and cash equivalent balances at two financial institutions located in Virginia. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At March 31, 2020, The Center had uninsured cash balances in the amount of \$1,076,229.

D. Contributions:

The Center maintains an endowment fund as a component of its funds without donor restriction, where planned or unanticipated gifts are contributed. The goal of the fund is to provide an adequate reserve and smooth flow of distributions to supplement The Center’s operating budget. Distribution guidelines permit withdrawals in an amount equal to 4% of the average of the fair market value of the fund on an annual basis.

SENIOR CENTER, INCORPORATED

Notes to Consolidated Financial Statements
As of March 31, 2020 (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

E. Donated Property and Equipment:

Donations of property and equipment are recorded as contributions at fair value of the date of donation. The Center reports gifts of land, buildings, and equipment as support without donor restriction unless explicit donor stipulations specify how the donated assets must be used. Donations of long-lived assets with explicit restrictions that specify how the assets are to be used and donations of cash or other assets that must be used to acquire long-lived assets are reported as support without donor restriction. Absent explicit donor stipulations about how long these long-lived assets must be maintained, The Center reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service as instructed by the donor.

F. Financial Statement Presentation:

The Center is required to report information regarding its financial position and activities according to two classes of net assets based on the existence or absence of donor-imposed restrictions:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed stipulations. At March 31, 2020 The Center had net assets without donor restrictions of \$12,034,347.

Net assets with donor restrictions: Net assets subject to donor-imposed stipulations that may or will be met, either by actions of The Center and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. At March 31, 2020 The Center had net assets with donor restrictions of \$3,500,461.

When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

G. Contributions Receivable:

Contributions are recognized when the donor makes a promise to give to The Center that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. The allowance for uncollectible contributions is estimated based upon historical collection rates and specific identification of uncollectible amounts. Unconditional contributions, net of the allowance of \$50,000, totaled \$2,054,530 at March 31, 2020. Of this amount, \$417,432 is due from members of the board of directors and the executive director.

H. Cash and Cash Equivalents:

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

SENIOR CENTER, INCORPORATED

Notes to Consolidated Financial Statements
As of March 31, 2020 (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

I. 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. The threshold for capitalization is \$2,500. 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 \$64,386 for the year ended March 31, 2020.

J. Contributed Services:

A substantial number of unpaid volunteers have made significant contributions of their time to develop The Center'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, 2020. In addition, many individuals volunteer their time and perform a variety of tasks that are vital to The Center but do not meet the criteria for financial statement recognition.

K. Rental Income:

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

L. 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.

M. Functional Allocation of Expenses:

Certain expenses are allocated among program and supporting services based on direct expenses incurred; others are allocated among program and supporting services based on the time spent in the activities.

N. Income Taxes:

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.

O. Compensated Absences:

The Center's liability for compensated absences of their employees was \$35,345. This represents amounts owed to employees under The Center's paid leave policies.

SENIOR CENTER, INCORPORATED

Notes to Consolidated Financial Statements
As of March 31, 2020 (Continued)

NOTE 2 - PROPERTY, FURNITURE, AND EQUIPMENT:

Property, furniture, and equipment consisted of the following at March 31, 2020:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Basis Remaining</u>
Land	\$ 2,750,046	\$ -	\$ 2,750,046
Building	20,397,554	1,359,209	19,038,345
Computers	123,016	110,791	12,225
Furniture and equipment	693,849	211,181	482,668
Total	<u>\$ 23,964,465</u>	<u>\$ 1,681,181</u>	<u>\$ 22,283,284</u>

NOTE 3 - THE CENTER AT BELVEDERE:

The new building at The Center at Belvedere has completed construction and has opened in Spring 2020. The location on Hillsdale Drive is under contract to be sold and the organization is moving its offices and programs to the new building. The sale was finalized after fiscal year end, on April 1, 2020. The Center's capital campaign received individual donations, grants and contributions from foundations, the City of Charlottesville, and the County of Albemarle. Preconstruction costs (primarily architects and consultants) and construction costs of \$18,919,222 are recorded as the total cost of the building at completion.

NOTE 4 - TRAVEL PROGRAM:

The Center's Travel Program was established by The Center as a separate service program. This is a self-supporting program; it was not organized to produce a profit, but instead to offer a service to its members and others. The Center staff and volunteers arrange tours and travel activities for groups and individuals. The Travel Fund's equity and net revenues for 2020 have been included in the statement of activities as an unrestricted revenue source.

NOTE 5 - RETIREMENT PLAN:

All eligible employees participate in a defined contribution retirement plan with Principal Financial Group. The Center contributes 10% of each eligible employee's salary to the plan. Each employee may contribute up to 20% of their salary to a separate account. The plan is fully insured. Total payroll for covered employees was \$528,149 and total payroll for all employees was \$857,935 for 2020. Total employer contributions for the 2020 plan year were \$80,301.

SENIOR CENTER, INCORPORATED

Notes to Consolidated Financial Statements
As of March 31, 2020 (Continued)

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS:

These net assets are restricted for specific purposes or until specific events occur. The following schedule summarizes net assets with donor restrictions to the following purposes as of March 31, 2020:

Capital Campaign	\$ 3,404,534
Second Wind Band	179
Matter of Balance	5,187
Financial Wellness Program	74,667
Program Fund	<u>15,894</u>
Total	<u>\$ 3,500,461</u>

Net assets without donor restrictions include endowment funds in the amount of \$454,907, which includes the Ralph Feil Scholarship Fund in the amount of \$62,819. These funds are board designated for specific activities as outlined in the fund guidelines. \$250,000 is held in a certificate of deposit with Carter Bank as a reserve for future debt service requirements. This amount is included in net assets without donor restrictions.

NOTE 7 - BENEFICIAL INTEREST IN AGENCY FUND HELD BY THIRD PARTY:

The Center is the beneficiary under a Designated Agency Fund Agreement with Charlottesville Area Community Foundation. The agency fund has been recorded in accordance with generally accepted accounting principles which state that if a community foundation receives assets from a nonprofit organization that specifies itself or its affiliate as the beneficiary, those assets are not considered a contribution to the foundation, regardless of the variance power of the foundation. The assets of the fund are included in the Statement of Financial Position of The Center as a beneficial interest in agency fund held by third party. Distributions are to be paid upon the request of The Center and the approval of the foundation; the latter not withheld without significant cause. In addition, the fund is charged an annual 1.0% administrative fee on the fund balance, to be paid quarterly.

The changes in the agency fund are detailed in Note 8 for year ended March 31, 2020.

NOTE 8 - INVESTMENT RETURNS:

A summary of investment return of the investments held by The Center as of March 31, 2020, follows:

Dividend and interest income	\$ 16,463
Realized and unrealized gain/(loss)	(15,061)
Administration expense	<u>(5,056)</u>
Net investment returns	<u>\$ (3,654)</u>

SENIOR CENTER, INCORPORATED

Notes to Consolidated Financial Statements
As of March 31, 2020 (Continued)

NOTE 9 - BOARD-DESIGNATED ENDOWMENT:

The Center's endowment consists of two individual funds. The first fund, Elizabeth A. Seabrook Endowment, was established for a variety of purposes. The other separate fund established is the Feil Scholarship Fund, which is to be used to subsidize individual membership fees and class fees. Its endowment is made up solely of funds designated by the Board of Directors to function as endowments. As required by Generally Accepted Accounting Principles, 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. As stated in Note 1(D), The Center had no donor-imposed restrictions on its board-designated fund, thereby resulting in it having no net assets with donor restrictions.

Return Objectives and Risk Parameters:

The Center has adopted investment and spending policies, approved by the Board of Directors, that are intended to provide for reasonable long-term capital growth, while mitigating undue risk to the principal. The policies cover its endowment assets, including those assets that are board-designated funds.

Strategies Employed for Achieving Objectives:

To satisfy its long-term rate-of-return objectives, The Center 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 Center targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy:

The Center has a spending policy based on the total return concept that governs the rate at which funds are transferred from the Endowment Fund to the operating budget. The spending policy permits withdrawals in an amount equal to 4% of the average of the fair value of the fund.

Composition of and change in endowment net assets for the year ended March 31, 2020, were as follows:

Board-designated endowment net assets, beginning of year	\$ 471,370
Contributions	901
Distributions	(13,710)
Interest and dividends	19,866
Realized and unrealized gains (losses)	(18,464)
Administration fees	<u>(5,056)</u>
Board-designated endowment net assets, end of year	<u>\$ 454,907</u>

SENIOR CENTER, INCORPORATED

Notes to Consolidated Financial Statements
As of March 31, 2020 (Continued)

NOTE 10 - FAIR VALUE MEASUREMENTS:

Fair value for investments is determined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. The three-level fair value hierarchy prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

The Center is providing the following information related to its investments:

	Total 3/31/2020	Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Beneficial interest in agency fund held by third party	\$ 454,907	\$ -	\$ 454,907	\$ -
Total	\$ 454,907	\$ -	\$ 454,907	\$ -

The Level 2 assets represent a beneficial interest in amounts invested in Charlottesville Area Community Foundation's (CACF) investment pool. The valuation of this investment is based upon the inputs used by CACF to value the underlying assets.

NOTE 11 - LINE OF CREDIT:

The Center has a revolving line of credit with Carter Bank, providing for borrowings up to \$100,000, with a fixed interest rate (5.25% at March 31, 2020). The credit line is collateralized by The Center's bank accounts held at Carter Bank, which total \$295,827 and is renewable annually. The balance as of March 31, 2020 was \$0.

SENIOR CENTER, INCORPORATED

Notes to Consolidated Financial Statements
As of March 31, 2020 (Continued)

NOTE 12 - LIQUIDITY AND AVAILABILITY:

The Center monitors its liquidity so that it can meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. The Center has the following financial assets that could readily be made available within one year of the statement of financial position to fund expenses without limitations:

	<u>2020</u>
Cash and cash equivalents	\$ 1,360,476
Contributions receivable	2,054,530
Accounts receivable	25,705
Beneficial interest in agency fund held by third party	<u>454,907</u>
Total	<u>\$ 3,895,618</u>

In addition to financial assets available to meet general expenditures over the year, The Center anticipates covering its general expenditures by collecting sufficient donations and other revenues and by utilizing donor-restricted resources from current and prior years' donations, as needed. The statement of cash flows identifies the sources and uses of The Center's cash and shows negative cash flow of \$1,470,049 for the fiscal year ending March 31, 2020.

NOTE 13 - NOTE PAYABLE:

Notes payable at March 31, 2020 consist of one financial agreement for the property located at The Center at Belvedere in Charlottesville, Virginia. Amounts required to amortize long-term debt are as follows:

<u>Year Ended</u>	<u>Principal</u>
2021	\$ -
2022	<u>9,045,535</u>
Total	<u>\$ 9,045,535</u>

Terms of the note and balance due at March 31, 2020 are as follows:

\$10,000,000 note payable to Carter Bank & Trust, original issuance of November 16, 2018, secured by the deed of trust on 540 Belvedere Boulevard, due in full on December 1, 2021, with an interest rate of 4.30%. \$ 9,045,535

NOTE 14 - DATE OF MANAGEMENT'S REVIEW:

Management has evaluated events and transactions for potential recognition or disclosure through July 1, 2020, the date the financial statements were available to be issued. On April 1, 2020, The Center sold the property located at 491 Hillsdale Drive for \$2,875,000.

- Supplementary Information -

SENIOR CENTER, INCORPORATED

Schedule of Revenues, Expenses, and Capital Activity - Operating Fund and Capital Fund
Year Ended March 31, 2020

	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
Revenues, gains and other support:			
Contributions	\$ 408,236	\$ 1,412,673	\$ 1,820,909
Dues	241,764	-	241,764
Program fees	87,001	-	87,001
Special events - net of direct expenses of \$3,789	132,096	-	132,096
Grants	101,165	-	101,165
Rentals	56,092	-	56,092
Travel program - net of direct expenses of \$229,698	86,829	-	86,829
Investment returns, net of direct expenses	(3,654)	-	(3,654)
Newsletter	4,950	-	4,950
In-kind revenue	7,083	-	7,083
Miscellaneous	2,027	250,000	252,027
Total revenues, gains and other support	<u>\$ 1,123,589</u>	<u>\$ 1,662,673</u>	<u>\$ 2,786,262</u>
Loan proceeds received	<u>\$ -</u>	<u>\$ 9,045,535</u>	<u>\$ 9,045,535</u>
Total revenues, gains and other support and loan proceeds received	<u>\$ 1,123,589</u>	<u>\$ 10,708,208</u>	<u>\$ 11,831,797</u>
Salaries and related benefits:			
Salaries	\$ 560,445	\$ 304,936	\$ 865,381
Payroll taxes	43,133	23,469	66,602
Retirement and life insurance	53,311	29,006	82,317
Health, dental and disability insurance	39,107	21,278	60,385
Total salaries and related benefits	<u>\$ 695,996</u>	<u>\$ 378,689</u>	<u>\$ 1,074,685</u>
Program expenses	118,098	-	118,098
Depreciation	64,386	-	64,386
In-kind expenses	7,083	-	7,083
Fundraising	73,933	-	73,933
Office expenses	61,043	8,951	69,994
Other	39,313	8,401	47,714
Promotion	62,445	-	62,445
Utilities	28,801	-	28,801
Scholarships	37,874	-	37,874
Building maintenance and repairs	26,685	-	26,685
Newsletter	29,795	-	29,795
Bookkeeping	5,283	-	5,283
Insurance	19,697	-	19,697
Professional fees	14,675	-	14,675
Café	8,323	-	8,323
Telephone	10,507	-	10,507
Postage	4,461	-	4,461
Staff training/recruitment	5,634	-	5,634
Membership	5,977	-	5,977
Total expenses	<u>\$ 1,320,009</u>	<u>\$ 396,041</u>	<u>\$ 1,716,050</u>
Capitalized costs	<u>\$ -</u>	<u>\$ 15,388,338</u>	<u>\$ 15,388,338</u>
Total expenses and capital outlay	<u>\$ 1,320,009</u>	<u>\$ 15,784,379</u>	<u>\$ 17,104,388</u>

SENIOR CENTER, INCORPORATED

Consolidating Statement of Financial Position
At March 31, 2020
(With Comparative Totals for 2019)

	The Center	Center Café LLC	Eliminations	Totals	
				2020	2019
Assets:					
Cash and cash equivalents	\$ 1,355,253	\$ 5,223	\$ -	\$ 1,360,476	\$ 2,830,525
Contributions receivable, net of allowance of \$50,000 and \$104,688	2,054,530	-	-	2,054,530	5,072,438
Other receivables	25,705	-	-	25,705	16,808
Prepaid expenses	112,157	-	-	112,157	4,959
Other assets	143,645	-	(15,055)	128,590	-
Beneficial interest in agency fund held by third party	454,907	-	-	454,907	471,370
Construction in progress	-	-	-	-	3,530,884
Property, furniture, and equipment, net of accumulated depreciation of \$1,681,181 and \$1,616,796	22,278,712	4,572	-	22,283,284	3,423,876
Total assets	\$ 26,424,909	\$ 9,795	\$ (15,055)	\$ 26,419,649	\$ 15,350,860
Liabilities:					
Accounts payable	\$ 965,743	\$ -	\$ -	\$ 965,743	\$ 687,513
Payroll liabilities	20,062	2,186	-	22,248	3,922
Retainage payable	398,453	-	-	398,453	-
Compensated absences	35,345	-	-	35,345	26,864
Travel deposits	250,071	-	-	250,071	61,663
Dues and other items received in advance	137,692	-	-	137,692	106,302
Other liabilities	-	15,055	(15,055)	-	-
Interest payable	29,754	-	-	29,754	-
Note payable	9,045,535	-	-	9,045,535	-
Total liabilities	\$ 10,882,655	\$ 17,241	\$ (15,055)	\$ 10,884,841	\$ 886,264
Net assets:					
Net assets without donor restrictions	\$ 12,041,793	(7,446)	\$ -	\$ 12,034,347	\$ 6,458,088
Net assets with donor restrictions	3,500,461	-	-	3,500,461	8,006,508
Total net assets	\$ 15,542,254	\$ (7,446)	\$ -	\$ 15,534,808	\$ 14,464,596
Total liabilities and net assets	\$ 26,424,909	\$ 9,795	\$ (15,055)	\$ 26,419,649	\$ 15,350,860

SENIOR CENTER, INCORPORATED

Consolidating Statement of Activities
 Year Ended March 31, 2020
 (With Comparative Totals for 2019)

	The Center	Center Café LLC	Eliminations	Without Donor Restrictions	With Donor Restrictions	Totals	
						2020	2019
Revenues, gains and other support:							
Contributions	\$ 397,679	\$ -	\$ -	\$ 397,679	\$ 1,423,230	\$ 1,820,909	\$ 8,749,046
Dues	241,764	-	-	241,764	-	241,764	203,185
Program fees	87,001	-	-	87,001	-	87,001	89,156
Special events - net of direct expenses of \$3,789 and \$78,378	132,096	-	-	132,096	-	132,096	137,627
Grants	71,825	-	-	71,825	29,340	101,165	181,011
Rentals	56,092	-	-	56,092	-	56,092	50,109
Travel program - net of direct expenses of \$229,698 and \$267,383	86,829	-	-	86,829	-	86,829	52,814
Investment returns - net of direct expenses of \$5,056 and \$0	(3,654)	-	-	(3,654)	-	(3,654)	20,301
Realized gain on sale of assets	-	-	-	-	-	-	10,980
Newsletter	4,950	-	-	4,950	-	4,950	4,225
In-kind revenue	7,083	-	-	7,083	-	7,083	64,096
Miscellaneous	252,027	-	-	252,027	-	252,027	2,044
Net assets released from restrictions: Restrictions satisfied by payments	5,958,617	-	-	5,958,617	(5,958,617)	-	-
Total revenues, gains and other support	\$ 7,292,309	\$ -	\$ -	\$ 7,292,309	\$ (4,506,047)	\$ 2,786,262	\$ 9,564,594
Expenses:							
Program services:							
Healthy aging	\$ 1,098,208	\$ -	\$ -	\$ 1,098,208	\$ -	\$ 1,098,208	\$ 1,085,228
Supporting services:							
Management and general	186,720	7,446	-	194,166	-	194,166	148,777
Fundraising	423,676	-	-	423,676	-	423,676	373,916
Total expenses	\$ 1,708,604	\$ 7,446	\$ -	\$ 1,716,050	\$ -	\$ 1,716,050	\$ 1,607,921
Change in net assets	\$ 5,583,705	\$ (7,446)	\$ -	\$ 5,576,259	\$ (4,506,047)	\$ 1,070,212	\$ 7,956,673
Net assets at beginning of year	\$ 6,458,088	\$ -	\$ -	\$ 6,458,088	\$ 8,006,508	\$ 14,464,596	\$ 6,507,923
Net assets at end of year	\$ 12,041,793	\$ (7,446)	\$ -	\$ 12,034,347	\$ 3,500,461	\$ 15,534,808	\$ 14,464,596

SENIOR CENTER, INCORPORATED

Consolidating Statement of Cash Flows
Year Ended March 31, 2020
(With Comparative Totals for 2019)

	The Center	Center Café LLC	Eliminations	Totals	
				2020	2019
Cash flows from operating activities:					
Change in net assets	\$ 1,077,658	\$ (7,446)	\$ -	\$ 1,070,212	\$ 7,956,673
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:					
Depreciation	64,386	-	-	64,386	66,124
Realized and unrealized (gains) losses	16,463	-	-	16,463	(13,518)
In-kind revenues	(7,083)	-	-	(7,083)	(64,096)
In-kind expenses	7,083	-	-	7,083	64,096
(Increase) decrease in:					
Contributions receivable	3,017,908	-	-	3,017,908	(4,285,153)
Other receivables	(8,897)	-	-	(8,897)	(4,170)
Prepaid expenses	(107,198)	-	-	(107,198)	(411)
Other assets	(143,645)	-	15,055	(128,590)	-
Increase (decrease) in:					
Accounts payable	278,230	-	-	278,230	668,675
Payroll liabilities	16,140	2,186	-	18,326	2,193
Compensated absences	8,481	-	-	8,481	2,057
Travel deposits	188,408	-	-	188,408	40,062
Other liabilities	-	15,055	(15,055)	-	-
Dues and other items received in advance	31,390	-	-	31,390	4,014
Interest payable	29,754	-	-	29,754	-
Net cash provided by (used for) operating activities	\$ 4,469,078	\$ 9,795	\$ -	\$ 4,478,873	\$ 4,436,546
Cash flows from investing activities:					
Purchase of property, furniture, and equipment	\$ (15,388,338)	\$ (4,572)	\$ -	\$ (15,392,910)	\$ (13,020)
Additions to construction in progress	-	-	-	-	(2,781,396)
Additions to retainage payable	398,453	-	-	398,453	-
Purchase of investments	-	-	-	-	(58,102)
Net cash provided by (used for) investing activities	\$ (14,989,885)	\$ (4,572)	\$ -	\$ (14,994,457)	\$ (2,852,518)
Cash flows from financing activities:					
Proceeds from note payable	\$ 9,045,535	\$ -	\$ -	\$ 9,045,535	\$ -
Net cash provided by (used for) financing activities	\$ 9,045,535	\$ -	\$ -	\$ 9,045,535	\$ -
Net change in cash and cash equivalents	\$ (1,475,272)	\$ 5,223	\$ -	\$ (1,470,049)	\$ 1,584,028
Cash and cash equivalents at beginning of year	2,830,525	-	-	2,830,525	1,246,497
Cash and cash equivalents at end of year	\$ 1,355,253	\$ 5,223	\$ -	\$ 1,360,476	\$ 2,830,525