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SENIOR CENTER, INCORPORATED  
CHARLOTTESVILLE, VIRGINIA  
FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2015

**ROBINSON, FARMER, COX ASSOCIATES**

*A PROFESSIONAL LIMITED LIABILITY COMPANY      CERTIFIED PUBLIC ACCOUNTANTS*

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CHARLOTTESVILLE   □   RICHMOND   □   FREDERICKSBURG   □   LOUISA   □   STAUNTON   □   BLACKSBURG

SENIOR CENTER, INCORPORATED  
CHARLOTTESVILLE, VIRGINIA  
FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2015

Table of Contents

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	<u>Page</u>
Independent Auditors' Report .....	1
<i>Financial Statements:</i>	
Statement of Financial Position.....	2
Statement of Activities .....	3
Statement of Functional Expenses .....	4
Statement of Cash Flows.....	5
Notes to Financial Statements .....	6-14

# 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 financial statements of the Senior Center, Incorporated (a nonprofit organization), which comprise the statement of financial position as of March 31, 2015, 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Senior Center, Incorporated as of March 31, 2015, 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.

*Robinson, Farmer, Cox Associates*

Charlottesville, Virginia  
July 20, 2015

- Financial Statements -

SENIOR CENTER, INCORPORATED

Statement of Financial Position

At March 31, 2015

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**Assets:**

Cash and cash equivalents	\$	209,332
Investments		17,456
Pledges receivable, net of allowance for doubtful pledges of \$47,114		981,542
Other receivables		2,649
Prepaid expenses		2,743
Beneficial interest in agency fund held by third party		339,673
Property, furniture, and equipment, net of accumulated depreciation of \$1,351,940		<u>3,826,213</u>
Total assets	\$	<u><u>5,379,608</u></u>

**Liabilities:**

Accounts payable	\$	34,094
Payroll liabilities		13,672
Compensated absences		14,925
Travel deposits		14,164
Dues and other items received in advance		99,424
Note payable		<u>456,294</u>
Total liabilities	\$	<u><u>632,573</u></u>

**Net assets:**

Unrestricted	\$	3,375,736
Temporarily restricted		<u>1,371,299</u>
Total net assets	\$	<u><u>4,747,035</u></u>
Total liabilities and net assets	\$	<u><u>5,379,608</u></u>

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

SENIOR CENTER, INCORPORATED

Statement of Activities  
Year Ended March 31, 2015

	Unrestricted	Temporarily Restricted	Total
Revenues, gains and other support:			
Contributions	\$ 375,272	\$ 1,293,764	\$ 1,669,036
Dues	173,517	-	173,517
Program fees	99,280	-	99,280
Special events - net of direct expenses of \$54,050	171,089	-	171,089
Grants	70,100	-	70,100
Rentals	51,946	-	51,946
Travel program - net of direct expenses of \$65,577	44,698	-	44,698
Investment returns - net of direct expenses of \$3,259	25,204	-	25,204
Newsletter	18,427	-	18,427
In-kind revenue	50,626	-	50,626
Miscellaneous	14,803	-	14,803
Net assets released from restrictions:			
Restrictions satisfied by payments	561,833	(561,833)	-
Total revenues, gains and other support	\$ 1,656,795	\$ 731,931	\$ 2,388,726
Expenses:			
Program services	\$ 926,258	\$ -	\$ 926,258
Management and general	143,741	-	143,741
Fundraising	246,258	-	246,258
Total expenses	\$ 1,316,257	\$ -	\$ 1,316,257
Change in net assets	\$ 340,538	\$ 731,931	\$ 1,072,469
Net assets at beginning of year	\$ 3,035,198	\$ 639,368	\$ 3,674,566
Net assets at end of year	\$ 3,375,736	\$ 1,371,299	\$ 4,747,035

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

SENIOR CENTER, INCORPORATED

Statement of Functional Expenses

Year Ended March 31, 2015

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and related benefits:				
Salaries	\$ 407,320	\$ 64,008	\$ 110,558	\$ 581,886
Payroll taxes	33,389	5,246	9,063	47,698
Retirement and life insurance	24,415	3,837	6,627	34,879
Health, dental and disability insurance	33,529	5,268	9,101	47,898
Total salaries and related benefits	\$ 498,653	\$ 78,359	\$ 135,349	\$ 712,361
Professional fees	-	8,239	-	8,239
Program expenses	77,951	-	-	77,951
Office expenses	20,597	867	217	21,681
Telephone	3,874	163	41	4,078
Postage	4,454	187	47	4,688
Utilities	28,983	1,220	305	30,508
Property taxes	17,944	755	189	18,888
Insurance	9,984	420	105	10,509
Buildings and grounds maintenance	32,988	1,389	347	34,724
Staff training/recruitment	1,259	197	342	1,798
Newsletter	12,664	-	-	12,664
Fundraising	-	-	77,226	77,226
Promotion and membership	46,620	-	-	46,620
In-kind expenses	19,744	-	30,882	50,626
Depreciation	67,097	2,825	706	70,628
Interest expense	26,500	1,116	279	27,895
Scholarships	20,991	-	-	20,991
Café	14,807	-	-	14,807
Bad debt	-	47,114	-	47,114
Other	21,148	890	223	22,261
Total expenses	<u>\$ 926,258</u>	<u>\$ 143,741</u>	<u>\$ 246,258</u>	<u>\$ 1,316,257</u>

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

SENIOR CENTER, INCORPORATED

Statement of Cash Flows  
Year Ended March 31, 2015

Cash flows from operating activities:	
Change in net assets	\$ 1,072,469
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation	70,628
Realized and unrealized (gains) losses	(20,213)
In-kind revenues	(50,626)
In-kind expenses	50,626
(Increase) decrease in:	
Pledges receivable	(788,159)
Other receivables	(2,049)
Prepaid expenses	2,565
Increase (decrease) in:	
Accounts payable	9,816
Payroll liabilities	4,712
Compensated absences	8,971
Travel deposits	2,069
Dues and other items received in advance	(6,902)
Charitable gift annuity	(7,283)
Net cash provided (used) by operating activities	<u>\$ 346,624</u>
Cash flows from investing activities:	
Purchase of property, furniture, and equipment	\$ (22,959)
Purchase of investments	(12,217)
Proceeds from redemption of investments	<u>3,259</u>
Net cash provided (used) by investing activities	<u>\$ (31,917)</u>
Cash flows from financing activities:	
Principal payments on note payable	<u>\$ (325,710)</u>
Net change in cash and cash equivalents	\$ (11,003)
Cash and cash equivalents at beginning of year	<u>220,335</u>
Cash and cash equivalents at end of year	<u><u>\$ 209,332</u></u>
Supplemental disclosure:	
Cash paid for interest	\$ 27,895
Cash paid for income taxes	547

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

# SENIOR CENTER, INCORPORATED

Notes to Financial Statements  
As of March 31, 2015

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## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

### A. Description and Purpose of Organization:

The Senior Center 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 Organization is to positively impact its community by creating opportunities for healthy aging through social engagement, physical well-being, civic involvement, creativity, and lifelong learning.

### B. Basis of Accounting:

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

### C. Contributions:

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 on an annual basis.

### D. 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.

Unrestricted net assets: Net assets that are not subject to donor-imposed stipulations. At March 31, 2015, the Organization had \$3,375,736 in unrestricted net assets.

Temporarily restricted net assets: Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. At March 31, 2015, the Organization had \$1,371,299 in temporarily restricted net assets.

SENIOR CENTER, INCORPORATED

Notes to Financial Statements  
As of March 31, 2015 (Continued)

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

D. Financial Statement Presentation: (continued)

Permanently restricted net assets: Net assets subject to donor-imposed or other legal restrictions requiring that all principal be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned for either general or donor-specific purposes. At March 31, 2015, the Organization had no permanently restricted net assets.

E. Pledges Receivable:

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. The allowance for uncollectible pledges is estimated based upon historical collection rates and specific identification of uncollectible amounts. Unconditional pledges, net of the allowance of \$47,114, totaled \$981,542 at March 31, 2015. Of this amount, \$109,800 is due from members of the board of directors and the executive director. \$806,783 is expected to be collected within one year and \$174,759 is expected to be collected within one to five years.

As of March 31, 2015, the Organization had received two conditional pledges, totaling \$260,000. These conditional pledges will not be recognized as an asset or revenue until the conditions are substantially met.

F. 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.

G. Investments:

Investments are carried at fair market or appraised value and consist primarily of equities in mutual funds managed by Mutual of America. 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, 2015:

		<u>Mutual of America</u>
Bond Funds	\$	3,500
Equity Funds		8,786
Money Market		<u>5,170</u>
Total	\$	<u><u>17,456</u></u>

## SENIOR CENTER, INCORPORATED

Notes to Financial Statements  
As of March 31, 2015 (Continued)

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

#### H. 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 \$70,628 for 2015.

#### I. Contributed 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, 2015. 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.

#### J. 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.

#### K. 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.

#### L. Functional Allocation of Expenses:

Certain expenses are allocated among functions based on direct expenses incurred; others are allocated based on the time spent in the activities.

SENIOR CENTER, INCORPORATED

Notes to Financial Statements  
As of March 31, 2015 (Continued)

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

M. 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.

The Organization's information returns are subject to examination by the Internal Revenue Service for three years subsequent. Open tax years at March 31, 2015, include fiscal years 2012, 2013, and 2014.

N. Compensated Absences:

The Organization's liability for compensated absences of their employees was \$14,925. This represents amounts owed to employees under the Organization's paid leave policies.

**NOTE 2 - PROPERTY, FURNITURE, AND EQUIPMENT:**

Property, furniture, and equipment consisted of the following at March 31, 2015:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Basis Remaining</u>
Land	\$ 2,771,111	\$ -	\$ 2,771,111
Construction in progress	171,072	-	171,072
Building	1,926,838	1,065,320	861,518
Computers and software	104,118	87,195	16,923
Furniture and equipment	205,014	199,425	5,589
Total	<u>\$ 5,178,153</u>	<u>\$ 1,351,940</u>	<u>\$ 3,826,213</u>

SENIOR CENTER, INCORPORATED

Notes to Financial Statements  
As of March 31, 2015 (Continued)

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**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; it 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 Travel Fund's equity and net revenues for 2015 have been included in the statement of activities as an unrestricted revenue source.

A summary of Travel fund financial position and activities follows:

<b>Assets:</b>	
Cash	\$ 5,901
Deposits	2,184
Total assets	<u>\$ 8,085</u>
<b>Liabilities:</b>	
Travel deposits	\$ 14,164
Gift certificates	575
Total liabilities	<u>\$ 14,739</u>
<b>Net assets:</b>	
Unrestricted	\$ (6,654)
Total liabilities and net assets	<u>\$ 8,085</u>
<b>Revenues:</b>	
Trips and tours, less refunds	<u>\$ 110,275</u>
<b>Expenses:</b>	
Trip and tour expenses	<u>\$ 65,577</u>
Net travel income:	<u>\$ 44,698</u>
Transfers to Senior Center Operations	<u>\$ 47,875</u>

Note: Direct salaries and commissions are not included in the above expenses.

**NOTE 4 - RETIREMENT PLAN:**

All eligible employees participate in a defined contribution retirement plan with Principal Financial Group. The Senior 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 plan. The plan is fully insured. Total payroll for covered employees was \$318,970 and total payroll for all employees was \$581,886 for 2015. Total employer contributions for the 2015 plan year were \$31,897.

SENIOR CENTER, INCORPORATED

Notes to Financial Statements  
As of March 31, 2015 (Continued)

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**NOTE 5 - RESTRICTED/DESIGNATED NET ASSETS:**

Temporarily restricted net assets are available for the following purposes:

Capital campaign	\$ 1,345,653
Second-wind band	1,200
Scholarships	5,415
Other program	16,054
Capital repairs	1,771
Other	<u>1,206</u>
Total	<u>\$ 1,371,299</u>

Unrestricted net assets include endowment funds in the amount of \$339,673. These funds are board designated for activities as outlined in the endowment fund guidelines.

**NOTE 6 - CONTRIBUTED SERVICES:**

The Senior Center recognized contribution revenue for contributed services. Contribution revenue from services was measured based on the fair value of those services, and the amounts recognized were as follows:

Website and database administration 8.5 hours at \$50/hour	\$ 425
Media services	17,500
Entertainment	<u>5,800</u>
Total	<u>\$ 23,725</u>

Contributed services are reported on the Statement of Activities as in-kind revenue, along with contributed facilities usage in the amount of \$5,000 and contributed materials in the amount of \$21,901.

In addition, approximately 51,600 of volunteer hours were provided to the Organization for which no value has been assigned.

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

The Senior 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 Senior Center as a beneficial interest in agency fund held by third party. Distributions are to be paid upon the request of the Senior Center and the approval of the foundation, the latter not withheld without significant cause. In addition, the fund is charged a 1.0% administrative fee on the fund balance, to be paid quarterly.

The changes in the agency fund are detailed in Note 9 for year ended March 31, 2015.

## SENIOR CENTER, INCORPORATED

Notes to Financial Statements  
As of March 31, 2015 (Continued)

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### NOTE 8 - INVESTMENT RETURNS:

A summary of investment return of the investments held by the Senior Center, Inc. as of March 31, 2015, follows:

Dividend and interest income	\$	8,250
Realized and unrealized gain/(loss)		20,213
Administration expense		<u>(3,259)</u>
Net investment returns	\$	<u>25,204</u>

### NOTE 9 - BOARD-DESIGNATED ENDOWMENT:

The Senior Center's endowment consists of an individual fund, the Elizabeth A. Seabrook Endowment, established for a variety of purposes. 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 Senior Center had no donor-imposed restrictions on its fund, thereby resulting in its having no permanently restricted net assets.

#### Return Objectives and Risk Parameters:

The Senior 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 Senior 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 Organization 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 Senior 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.

## SENIOR CENTER, INCORPORATED

Notes to Financial Statements  
As of March 31, 2015 (Continued)

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### NOTE 9 - BOARD-DESIGNATED ENDOWMENT: (continued)

#### Spending Policy and How the Investment Objectives Relate to Spending Policy: (continued)

Composition of and change in endowment net assets for the year ended March 31, 2015, were as follows:

Board-designated endowment net assets, beginning of year	\$ 311,684
Contributions	4,024
Interest and dividends	5,014
Realized and unrealized gains	22,210
Administration fees	<u>(3,259)</u>
Board-designated endowment net assets, end of year	<u>\$ 339,673</u>

### 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 – 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.

SENIOR CENTER, INCORPORATED

Notes to Financial Statements  
As of March 31, 2015 (Continued)

**NOTE 10 - FAIR VALUE MEASUREMENTS: (continued)**

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

	<u>Fair Value Measurements at Reporting Date Using</u>			
	<u>Total</u> 3/31/2015	<u>Quoted Prices</u> in Active Markets for Identical Assets (Level 1)	<u>Significant</u> Other Observable Inputs (Level 2)	<u>Significant</u> Unobservable Inputs (Level 3)
Money market	\$ 5,170	\$ 5,170	\$ -	\$ -
Equity funds	8,786	8,786	-	-
Bond funds	3,500	3,500	-	-
Beneficial interest in agency fund held by third party	339,673	-	339,673	-
<b>Total</b>	<b>\$ 357,129</b>	<b>\$ 17,456</b>	<b>\$ 339,673</b>	<b>\$ -</b>

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 Senior Center has a revolving line of credit with Virginia National Bank, providing for borrowings up to \$50,000, with a variable interest rate (5% at March 31, 2015). The credit line is collateralized by certificates of deposit and is renewable annually.

**NOTE 12 - NOTE PAYABLE:**

The Senior Center has a note payable to Virginia National Bank, in the amount of \$456,294, with a variable interest rate (3.75% at March 31, 2015). The note requires quarterly payments of all accrued unpaid interest and matures on June 30, 2015, at which time the entire payment is due. The note is collateralized by a Deed of Trust on 5.91 acres of land and assignment of certain deposit accounts. The note was paid in full on June 9, 2015.

**NOTE 13 - SUBSEQUENT EVENTS:**

Management has evaluated events and transactions for potential recognition or disclosure through July 20, 2015, the date the financial statements were available to be issued. There were no subsequent events to be disclosed, other than as described in Note 12.