SENIOR CENTER, INCORPORATED

CHARLOTTESVILLE, VIRGINIA

FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2024

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Independent Auditors' Report

To the Board of Directors
Senior Center, Incorporated
Charlottesville, Virginia

Opinion

We have audited the accompanying financial statements of Senior Center, Incorporated (a nonprofit organization), which comprise the consolidated statement of financial position as of March 31, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Senior Center, Incorporated as of March 31, 2024, and the consolidated 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Senior Center, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Senior Center, Inc.'s internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Senior Center, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited Senior Center, Inc.'s 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 30, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidating information on pages 18-20 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies and it 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 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.

Robinson, Farmer, Cox Associates

Charlottesville, Virginia
September 23, 2024

- Financial Statements -

SENIOR CENTER, INCORPORATED

Consolidated Statement of Financial Position
At March 31, 2024
(With Comparative Totals for 2023)

	2024	2023
Assets:		
Cash and cash equivalents	$ 493,460	$ 549,690
Contributions receivable, net	180,917	317,544
Other receivables	15,769	8,216
Prepaid expenses	26,195	259,393
Inventory	5,790	7,308
Beneficial interest in agency fund held by third party	643,838	620,001
Intangible assets, net of accumulated amortization of $3,750 and $2,500	8,750	10,000
Property, furniture, and equipment, net	19,538,020	20,029,677
Total assets	$ 20,912,739	$ 21,801,829
Liabilities:		
Accounts payable	$ 54,249	$ 27,924
Payroll liabilities	15,382	20,629
Compensated absences	37,869	33,007
Travel deposits	53,551	319,875
Dues and other items received in advance	283,631	268,994
Interest payable	32,152	20,324
Note payable	5,323,998	5,475,752
Total liabilities	$ 5,800,832	$ 6,166,505
Net assets:		
Net assets without donor restrictions	$ 14,882,643	$ 14,981,766
Net assets with donor restrictions	229,264	653,558
Total net assets	$ 15,111,907	$ 15,635,324
Total liabilities and net assets	$ 20,912,739	$ 21,801,829

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

SENIOR CENTER, INCORPORATED

Consolidated Statement of Activities
Year Ended March 31, 2024
(With Comparative Totals for 2023)

	Without Donor Restrictions	With Donor Restrictions	Totals 2024	Totals 2023
Revenues, gains and other support:				
Contributions	$ 1,446,011	$ 51,990	$ 1,498,001	$ 1,005,425
Dues	598,094	-	598,094	456,783
Program fees	140,903	202	141,105	112,594
Special events - net of direct expenses of $0 and $58,294	-	-	-	29,571
Grants	97,845	-	97,845	517,260
Short term rentals	110,347	-	110,347	97,024
Lease revenue	101,521	-	101,521	103,342
Café sales - net of direct expenses of $204,425 and $197,367	(52,072)	-	(52,072)	(26,628)
Travel program - net of direct expenses of $789,945 and $243,902	131,426	-	131,426	119,748
Investment returns - net of direct expenses of $9,746 and $6,170	88,499	-	88,499	(65,343)
Newsletter	8,850	-	8,850	13,050
Miscellaneous	162,421	-	162,421	10,055
Net assets released from restrictions:				
Restrictions satisfied by payments	180,812	(180,812)	-	-
Total revenues, gains and other support	$ 3,014,657	$ (128,620)	$ 2,886,037	$ 2,372,881
Expenses:				
Program services:				
Healthy aging	$ 2,716,901	$ -	$ 2,716,901	$ 2,462,157
Supporting services:				
Management and general	361,711	-	361,711	314,696
Fundraising	330,842	-	330,842	382,215
Total expenses	$ 3,409,454	$ -	$ 3,409,454	$ 3,159,068
Change in net assets	$ (394,797)	$ (128,620)	$ (523,417)	$ (786,187)
Net assets at beginning of year, as reclassified	$ 15,277,440	$ 357,884	$ 15,635,324	$ 16,421,511
Net assets at end of year	$ 14,882,643	$ 229,264	$ 15,111,907	$ 15,635,324

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, 2024
(With Comparative Totals for 2023)

	Program Services	Supporting Services		Totals	
	Healthy Aging	Management and General	Fundraising	2024	2023
Salaries and related benefits:					
Salaries	$ 758,979	$ 232,286	$ 234,200	$ 1,225,465	$ 1,149,491
Payroll taxes	57,540	17,610	17,755	92,905	88,780
Retirement	55,731	17,056	17,197	89,984	84,811
Health, dental, life and disability insurance	63,895	19,555	19,716	103,166	96,833
Total salaries and related benefits	$ 936,145	$ 286,507	$ 288,868	$ 1,511,520	$ 1,419,915
Program expenses	330,797	-	-	330,797	235,962
Bad debt	-	-	-	-	117,022
Amortization	1,188	50	12	1,250	1,250
Depreciation	495,278	20,854	5,213	521,345	534,325
Interest	270,883	11,406	2,851	285,140	242,558
Fundraising	-	-	26,654	26,654	42,944
Office expenses	54,391	2,290	573	57,254	53,335
Other	164,011	6,906	1,726	172,643	40,218
Janitorial contractual services	57,133	2,406	601	60,140	69,791
Promotion	80,596	-	-	80,596	65,992
Utilities	53,058	2,234	559	55,851	69,328
Scholarships	68,922	-	-	68,922	46,917
Buildings and grounds maintenance	65,219	2,746	687	68,652	56,364
Newsletter	38,992	-	-	38,992	40,215
Insurance	36,089	1,520	380	37,989	38,295
Professional fees	-	22,330	-	22,330	16,883
Café	30,485	-	-	30,485	29,959
Telephone	16,936	713	178	17,827	17,424
Postage	3,329	140	35	3,504	3,190
Staff training/recruitment	9,058	1,423	2,459	12,940	14,877
Membership	4,392	185	46	4,623	2,304
Total expenses	$ 2,716,901	$ 361,711	$ 330,842	$ 3,409,454	$ 3,159,068

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, 2024
(With Comparative Totals for 2023)

		2024		2023
Cash flows from operating activities:				
Change in net assets	$	(523,417)	$	(786,187)
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:				
Amortization		1,250		1,250
Depreciation		521,345		534,325
Realized and unrealized (gains) losses		(80,122)		65,630
Investment income		(715)		(287)
(Increase) decrease in:				
Contributions receivable		136,627		184,310
Other receivables		(7,553)		(2,573)
Prepaid expenses		233,198		(69,407)
Inventory		1,518		(1,874)
Other assets		-		4,063
Increase (decrease) in:				
Accounts payable		26,325		6,841
Payroll liabilities		(5,247)		16,050
Compensated absences		4,862		11,134
Travel deposits		(266,324)		41,941
Dues and other items received in advance		14,637		63,007
Interest payable		11,828		(591)
Net cash provided by (used for) operating activities	$	68,212	$	67,632
Cash flows from investing activities:				
Purchase of property, furniture, and equipment	$	(29,688)	$	(9,203)
Proceeds from redemption of investments		57,000		3,900
Net cash provided by (used for) investing activities	$	27,312	$	(5,303)
Cash flows from financing activities:				
Payments on note payable	$	(151,754)	$	(160,039)
Net cash provided by (used for) financing activities	$	(151,754)	$	(160,039)
Net change in cash and cash equivalents	$	(56,230)	$	(97,710)
Cash and cash equivalents at beginning of year (including restricted cash of $0)		549,690		647,400
Cash and cash equivalents at end of year	$	493,460	$	549,690

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

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. Principles of Consolidation:

The accompanying consolidated financial statements include the account of Senior Center, Inc. and The Center Café LLC. All intercompany balances and significant intercompany transaction have been eliminated.

D. Concentrations of Credit Risk:

The Center maintains its cash and cash equivalent balances at one financial institution located in Virginia. The balances are insured by the Federal Deposit Insurance Corporation up to $250,000. At March 31, 2024, The Center had uninsured cash balances in the amount of $306,663. The Finance Committee of the Senior Center, Inc. regularly monitors cash balances and concentration of risks.

E. Quasi Endowment:

The Center maintains three quasi endowment funds as components of its net assets without donor restriction, where planned or unanticipated gifts are contributed. The goal of the funds 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.

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

F. 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 with 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. No significant non-financial contributions were received by Senior Center, Inc in fiscal year 2024.

G. 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, 2024 The Center had net assets without donor restrictions of $14,882,643.

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, 2024, The Center had net assets with donor restrictions of $229,264.

H. 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 $0, totaled $180,917 at March 31, 2024. $147,237 of the balance at March 31, 2024 is expected to be paid to The Center within one year (FY2025), and the remaining $33,680 is expected in FY2026. March 31, 2023 unconditional contributions are reported net of the allowance of $0.

I. 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.

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

J. 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, computers and equipment	5-10 Years
Building	40 Years

Depreciation expense totaled $521,345 for the year ended March 31, 2024.

K. 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. In addition, many individuals volunteer their time and perform a variety of tasks that are vital to The Center. The value of this contributed time is not reflected in these statements as in-kind revenues and expenses for the year ended March 31, 2024, as these services do not meet the criteria for financial statement recognition. The Center had 31,490 total volunteer hours recorded for the year ended March 31, 2024.

L. Revenue Recognition

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. When a restriction expires because the contributed resources are spent in accordance with the donor's instructions or because of passage of time, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Center's revenue within the scope of ASC 606 consists of revenue from membership dues, program fees and travel programs. The performance obligation for membership dues is performed over the membership period. The performance obligation for program fees is performed when the program is completed. The performance obligation for travel program is completed when the trip occurs.

Membership dues collected in advance were $283,631 and $268,994 as of March 31, 2024 and 2023, respectively.

Revenues from membership dues are recognized in the period covered by the membership. Any dues collected in advance for a future membership year are reflected in the Center's current liabilities as deferred revenues and excluded from current year revenues.

Revenues for program fees are collected and recognized when the program occurs.

Revenues from the travel program are recognized when the trip occurs, any trip deposits collected in advance for future trips are reflected in the center's current liabilities and excluded from current revenues. Deferred revenues related to trip deposits received in advance were $53,550 and $319,875 as of March 31, 2024 and 2023, respectively.

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

M. Rental Income:

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

N. 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.

O. Functional Allocation of Expenses:

The costs of providing the Center’s various programs and supporting services have been summarized on a functional basis in the statement of activities.

Certain expenses are directly 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.

P. Income Taxes:

The Senior Center, Incorporated, is a nonprofit 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.

Q. Compensated Absences:

The Center's liability for compensated absences of its employees was $37,869. This represents amounts owed to employees under The Center's paid leave policies.

R. Comparative Totals:

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Prior year totals on the financial statements are presented for informational purposes only. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended March 31, 2023, from which the summarized information was derived.

S. Advertising and Promotion:

The Center expenses advertising and promotion costs as incurred in conformity with GAAP. The Center's advertising and promotion expenses totaled $80,596 for as of March 31, 2024.

NOTE 2 – PROPERTY, FURNITURE, AND EQUIPMENT:

Property, furniture, and equipment consisted of the following at March 31, 2024:

	Cost	Accumulated Depreciation	Basis Remaining
Land	$ 2,412,988	$ -	$ 2,412,988
Building	18,978,140	1,946,823	17,031,317
Computers	39,094	23,642	15,452
Furniture and equipment	372,790	294,527	78,263
Total	$ 21,803,012	$ 2,264,992	$ 19,538,020

NOTE 3 – TRAVEL PROGRAM:

The Center's Travel Program was established by The Center as a mission based 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 2024 have been included in the statement of activities as a revenue source without donor restriction.

NOTE 4 – RETIREMENT PLAN:

All eligible employees participate in a defined contribution retirement plan. Each employee may contribute up to 20% of their salary to a separate account. The plan is fully insured. Total payroll for all employee was $1,225,465 for 2024. Total employer contributions for the 2024 plan year were $89,984.

To be eligible for employer contributions an employee must be employed for 12 months. Depending on the anniversary of their start date, the contributions begin either on the next Jan 1st or July 1st.

- Employees who started prior to January 1, 2023:
    - Employer will contribute 10% of their wages to the employee's retirement plan.
- Employees starting January 1, 2023, and after:
    - Employer will contribute 3% of their wages to the employee's retirement plan, and
    - Employer will match 50% up to 3% of employee voluntary contributions.

NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS:

These net assets are restricted for specific purposes or until the stipulated time has passed. The following schedule summarizes net assets with donor restrictions to the following purposes as of March 31, 2024:

Second Wind Band	178
Financial Wellness Program	44,829
DEI	17,580
Strategic Initiatives	166,677
Total	$ 229,264

NOTE 6 – BOARD DESIGNATED NET ASSETS WITHOUT DONOR RESTRICTIONS:

Net assets without donor restrictions include quasi-endowment funds in the amount of $802,349, which includes the Ralph L. Feil Scholarship Fund in the amount of $104,916. These funds are board designated for specific activities as outlined in the fund guidelines.

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 9 for year ended March 31, 2024.

NOTE 8 – INVESTMENT RETURNS:

A summary of investment return of the investments held by The Center through a 3rd party as of March 31, 2024, follows:

Dividend and interest income	$	10,461
Realized and unrealized gain/(loss)		80,122
Administration expense		(9,746)
Net investment returns	$	80,837

NOTE 9 – BOARD-DESIGNATED ENDOWMENT:

The Center's endowment consists of three individual funds. The first fund, Elizabeth A. Seabrook Quasi-Endowment, was established to help ensure the continued vitality of The Center and its ability to be responsive to the needs of the Community while carrying out its mission. The second fund established is the Ralph L. Feil Scholarship Fund, which is to be used to subsidize individual membership fees and program fees. Its endowment is made up solely of funds designated by the Board of Directors to function as Quasi-endowments. The third Quasi-endowment is the Peter M. Thompson endowment for Capital Renewal and Professional Development, in honor of Thompson’s 24 years of service to healthy aging in Charlottesville. 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(E), The Center had no donor-imposed restrictions on its board-designated fund, thereby resulting in it having no net assets with donor restrictions.

NOTE 9 – BOARD-DESIGNATED ENDOWMENT: (Continued)

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 per year.

Composition of and change in endowment net assets for the year ended March 31, 2024, were as follows:

Board-designated endowment net assets, beginning of year	$ 620,001
Contributions	158,511
Distributions	(57,000)
Interest and dividends	10,461
Realized and unrealized gains (losses)	80,122
Administration fees	(9,746)
Board-designated endowment net assets, end of year	$ 802,349

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.

NOTE 10 – FAIR VALUE MEASUREMENTS: (Continued)

- 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:

		Fair Value Measurements at Reporting Date Using		
	Total 3/31/2024	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	$ 643,838	$ -	$ -	$ 643,838
Total	$ 643,838	$ -	$ -	$ 643,838

The Level 3 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 – 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:

Financial assets:	
Cash and cash equivalents	$ 493,460
Contributions receivable	180,917
Accounts receivable	15,769
Beneficial interest in agency fund held by third party	643,838
Total financial assets	$ 1,333,984
Less those unavailable for general expenditure within one year due to:	
Maturity in over one year	$ 52,930
Total unavailable assets	$ 52,930
Financial assets available to meet cash needs for general expenditures within one year	$ 1,281,054

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 $56,230 for the fiscal year ending March 31, 2024.

NOTE 12 – NOTE PAYABLE:

Notes are secured by Senior Center, Inc.'s building. Notes payable at March 31, 2024 consist of one financial agreement for the property located at The Center at Belvedere in Charlottesville, Virginia. The long-term note matures in December 2043, with amounts required to amortize as follows:

Year Ended	Principal
2025	177,503
2026	185,288
2027	193,414
2028-2032	1,102,001
2033-2037	1,365,804
2038-2042	1,692,758
2043	607,230
Total	$ 5,323,998

Terms of the note and balance due at March 31, 2024 are as follows:

$5,688,078 note payable to Carter Bank & Trust, original issuance of December 1, 2021, secured by the deed of trust on 540 Belvedere Boulevard, due in full on December 1, 2043, with an interest rate of 7.25% as of December 2023.	$ 5,323,998

*Variable interest rate is subject to rate change in November 2023.

Interest of $273,312 was paid for the year ending March 31, 2024.

NOTE 13 – LEASE REVENUE:

The Center entered into an operating lease agreement with Sentara Martha Jefferson Medical Group (“Sentara”) in which The Center is renting building space to Sentara at The Center at Belvedere location. The lease was effective on March 8, 2019, with a commencement date of April 2020 for a three-year period, and the option of renewing the lease for two periods of five years each. The first renewal option has been exercised, for a term commencing April 1, 2023, and ending on March 31, 2028. For the year ended March 31, 2024, monthly lease revenues were $8,460. Lease payments due to The Center will increase on an annual basis by CPI. This agreement is considered to be applicable under Accounting Standards Codification Topic 842, however the underlying accounting treatment of the lease has been unaffected. Accounting for leases conforms to generally accepted accounting principles.

NOTE 13 – LEASE REVENUE: (Continued)

The following is the schedule of rent payments to be received over the life of the lease

Year Ended March 31,		Amount
2025	$	103,550
2026		105,621
2027		107,734
2028		109,889
Total	$	426,794

NOTE 14 – DATE OF MANAGEMENT'S REVIEW:

Management has evaluated events and transactions for potential recognition or disclosure through September 23, 2024, the date the financial statements were available to be issued.

NOTE 15 – RECLASSIFICATION OF BEGINNING NET ASSETS:

Net assets as of March 31, 2023 were reclassified as follows:

	Consolidated					
		Without Doner restrictions		With Doner restrictions		Total
Net Assets at 3/31/23, as originally reported	$	14,981,766	$	653,558	$	15,635,324
Reclassification of Capital Campaign		295,674		(295,674)		-
Net Assets at 3/31/23, as reclassified	$	15,277,440	$	357,884	$	15,635,324

	The Center					
		Without Doner restrictions		With Doner restrictions		Total
Net Assets at 3/31/23, as originally reported	$	14,973,323	$	653,558	$	15,626,881
Reclassification of Capital Campaign		295,674		(295,674)		-
Net Assets at 3/31/23, as reclassified	$	15,268,997	$	357,884	$	15,626,881

- Supplementary Information -

SENIOR CENTER, INCORPORATED

Consolidating Statement of Financial Position
At March 31, 2024
(With Comparative Totals for 2023)

	The Center	Center Café LLC	Eliminations	Totals 2024	Totals 2023
Assets:					
Cash and cash equivalents	$ 490,620	$ 2,840	$ -	$ 493,460	$ 549,690
Contributions receivable, net of allowance of $0	180,917	-	-	180,917	317,544
Other receivables	15,769	-	-	15,769	8,216
Prepaid expenses	23,589	2,606	-	26,195	259,393
Inventory	-	5,790	-	5,790	7,308
Beneficial interest in agency fund held by third party	643,838	-	-	643,838	620,001
Intangible assets, net of accumulated amortization of $3,750 and $2.500	8,750	-	-	8,750	10,000
Property, furniture, and equipment, net of accumulated depreciation of $2,262,248 and $1,741,816	19,536,188	1,832	-	19,538,020	20,029,677
Total assets	$ 20,899,671	$ 13,068	$ -	$ 20,912,739	$ 21,801,829
Liabilities:					
Accounts payable	$ 50,191	$ 4,058	$ -	$ 54,249	$ 27,924
Payroll liabilities	11,842	3,540	-	15,382	20,629
Compensated absences	37,869	-	-	37,869	33,007
Travel deposits	53,551	-	-	53,551	319,875
Dues and other items received in advance	283,631	-	-	283,631	268,994
Interest payable	32,152	-	-	32,152	20,324
Note payable	5,323,998	-	-	5,323,998	5,475,752
Total liabilities	$ 5,793,234	$ 7,598	$ -	$ 5,800,832	$ 6,166,505
Net assets:					
Net assets without donor restrictions	$ 14,877,173	$ 5,470	$ -	$ 14,882,643	$ 14,981,766
Net assets with donor restrictions	229,264	-	-	229,264	653,558
Total net assets	$ 15,106,437	$ 5,470	$ -	$ 15,111,907	$ 15,635,324
Total liabilities and net assets	$ 20,899,671	$ 13,068	$ -	$ 20,912,739	$ 21,801,829

SENIOR CENTER, INCORPORATED

Consolidating Statement of Activities
Year Ended March 31, 2024
(With Comparative Totals for 2023)

	The Center	Center Café LLC	Eliminations	Without Donor Restrictions	With Donor Restrictions	Totals 2024	Totals 2023
Revenues, gains and other support:							
Contributions	$ 1,446,011	$ -	$ -	$ 1,446,011	$ 51,990	$ 1,498,001	$ 1,005,425
Contribution from The Center	-	80,497	(80,497)	-	-	-	-
Dues	598,094	-	-	598,094	-	598,094	456,783
Program fees	140,903	-	-	140,903	202	141,105	112,594
Special events - net of direct expenses of $0 and $58,294	-	-	-	-	-	-	29,571
Grants	97,845	-	-	97,845		97,845	517,260
Short term rentals	110,347	-	-	110,347	-	110,347	97,024
Lease revenue	101,521	-	-	101,521	-	101,521	103,342
Café sales - net of direct expenses of $204,425 and $197,367	-	(52,072)	-	(52,072)	-	(52,072)	(26,628)
Travel program - net of direct expenses of $789,945 and $243,902	131,426	-	-	131,426	-	131,426	119,748
Investment returns - net of direct expenses of $9,746 and $6,170	88,499	-	-	88,499	-	88,499	(65,343)
Newsletter	8,850	-	-	8,850	-	8,850	13,050
Miscellaneous	162,421		-	162,421	-	162,421	10,055
Net assets released from restrictions:							
Restrictions satisfied by payments	180,812	-	-	180,812	(180,812)	-	-
Total revenues, gains and other support	$ 3,066,729	$ 28,425	$ (80,497)	$ 3,014,657	$ (128,620)	$ 2,886,037	$ 2,372,881
Expenses:							
Program services:							
Healthy aging	$ 2,766,913	$ 30,485	$ (80,497)	$ 2,716,901	$ -	$ 2,716,901	$ 2,462,157
Supporting services:							
Management and general	360,798	913	-	361,711	-	361,711	314,696
Fundraising	330,842	-	-	330,842	-	330,842	382,215
Total expenses	$ 3,458,553	$ 31,398	$ (80,497)	$ 3,409,454	$ -	$ 3,409,454	$ 3,159,068
Change in net assets	$ (391,824)	$ (2,973)	$ -	$ (394,797)	$ (128,620)	$ (523,417)	$ (786,187)
Net assets at beginning of year, as reclassified	$ 15,268,997	$ 8,443	$ -	$ 15,277,440	$ 357,884	$ 15,635,324	$ 16,421,511
Net assets at end of year	$ 14,877,173	$ 5,470	$ -	$ 14,882,643	$ 229,264	$ 15,111,907	$ 15,635,324

SENIOR CENTER, INCORPORATED

Consolidating Statement of Cash Flows
Year Ended March 31, 2024
(With Comparative Totals for 2023)

	The Center	Center Café LLC	Eliminations	Totals 2024	Totals 2023
Cash flows from operating activities:					
Change in net assets	$ (520,444)	$ (2,973)	$ -	$ (523,417)	$ (786,187)
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:					
Amortization	1,250	-	-	1,250	1,250
Depreciation	520,432	913	-	521,345	534,325
Realized and unrealized (gains) losses	(80,122)	-	-	(80,122)	65,630
Investment income	(715)	-	-	(715)	(287)
(Increase) decrease in:					
Contributions receivable	136,627	-	-	136,627	184,310
Other receivables	(7,553)	-	-	(7,553)	(2,573)
Prepaid expenses	233,595	(397)	-	233,198	(69,407)
Inventory	-	1,518	-	1,518	(1,874)
Other assets	-	-		-	4,063
Increase (decrease) in:					
Accounts payable	27,517	(1,192)	-	26,325	6,841
Payroll liabilities	(5,222)	(25)	-	(5,247)	16,050
Compensated absences	4,862	-	-	4,862	11,134
Travel deposits	(266,324)	-	-	(266,324)	41,941
Dues and other items received in advance	14,637	-	-	14,637	63,007
Interest payable	11,828	-	-	11,828	(591)
Net cash provided by (used for) operating activities	$ 70,368	$ (2,156)	$ -	$ 68,212	$ 67,632
Cash flows from investing activities:					
Purchase of property, furniture, and equipment	$ (29,688)	$ -	$ -	$ (29,688)	$ (9,203)
Proceeds from redemption of investments	57,000	-	-	57,000	3,900
Net cash provided by (used for) investing activities	$ 27,312	$ -	$ -	$ 27,312	$ (5,303)
Cash flows from financing activities:					
Payments on note payable	$ (151,754)	$ -	$ -	$ (151,754)	$ (160,039)
Net cash provided by (used for) financing activities	$ (151,754)	$ -	$ -	$ (151,754)	$ (160,039)
Net change in cash and cash equivalents	$ (54,074)	$ (2,156)	$ -	$ (56,230)	$ (97,710)
Cash and cash equivalents at beginning of year (including restricted cash of $0)	544,694	4,996	-	549,690	647,400
Cash and cash equivalents at end of year (including restricted cash of $0)	$ 490,620	$ 2,840	$ -	$ 493,460	$ 549,690