SENIOR CENTER, INCORPORATED

CHARLOTTESVILLE, VIRGINIA

FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2021

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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, 2021, 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 consolidated 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, 2021, 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.

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2021, the Organization adopted new accounting guidance, FASB Accounting Standards Update (ASU) No. 2014-09 *(Topic 606), Revenue from Contracts with Customers*. Our opinion is not modified with respect to this matter.

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 page 16 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The consolidating information on pages 17-19 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 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 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 1, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Charlottesville, Virginia
June 28, 2021

- Financial Statements -

SENIOR CENTER, INCORPORATED

Consolidated Statement of Financial Position
At March 31, 2021
(With Comparative Totals for 2020)

	2021	2020
Assets:		
Cash and cash equivalents	$ 1,130,497	$ 1,110,476
Cash and cash equivalents - restricted	260,639	250,000
Contributions receivable, net of allowance of $47,500 and $50,000	1,155,801	2,054,530
Other receivables	2,949	25,705
Prepaid expenses	112,693	112,157
Other assets	-	128,590
Beneficial interest in agency fund held by third party	691,697	454,907
Property, furniture, and equipment, net of accumulated depreciation of $711,220 and $1,681,181	21,047,666	22,283,284
Total assets	$ 24,401,942	$ 26,419,649
Liabilities:		
Accounts payable	$ 17,261	$ 965,743
Payroll liabilities	12,501	22,248
Retainage payable	-	398,453
Compensated absences	33,673	35,345
Travel deposits	182,681	250,071
Dues and other items received in advance	104,947	137,692
Paycheck Protection Program (PPP) loan	140,295	-
Interest payable	25,682	29,754
Note payable	6,935,823	9,045,535
Total liabilities	$ 7,452,863	$ 10,884,841
Net assets:		
Net assets without donor restrictions	$ 13,308,911	$ 12,034,347
Net assets with donor restrictions	3,640,168	3,500,461
Total net assets	$ 16,949,079	$ 15,534,808
Total liabilities and net assets	$ 24,401,942	$ 26,419,649

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

SENIOR CENTER, INCORPORATED

Consolidated Statement of Activities
Year Ended March 31, 2021
(With Comparative Totals for 2020)

	Without Donor Restrictions	With Donor Restrictions	Totals 2021	Totals 2020
Revenues, gains and other support:				
Contributions	$ 989,347	$ 397,864	$ 1,387,211	$ 1,820,909
Dues	268,861	-	268,861	241,764
Program fees	56,352	-	56,352	87,001
Special events - net of direct expenses of $6,449 and $3,789	(3,439)	-	(3,439)	132,096
Grants	116,521	-	116,521	101,165
Short term rentals	2,095	-	2,095	56,092
Lease revenue	86,767	-	86,767	-
Café sales - net of direct expenses of $133,592 and $0	(79,430)	-	(79,430)	-
Travel program - net of direct expenses of $22,114 and $229,698	(16,612)	-	(16,612)	86,829
Investment returns - net of direct expenses of $5,914 and $5,056	227,570	-	227,570	(3,654)
Realized gain on sale of assets	1,530,792	-	1,530,792	-
Newsletter	275	-	275	4,950
In-kind revenue	5,172	-	5,172	7,083
Miscellaneous	140,744	-	140,744	252,027
Net assets released from restrictions:				
Restrictions satisfied by payments	258,157	(258,157)	-	-
Total revenues, gains and other support	$ 3,583,172	$ 139,707	$ 3,722,879	$ 2,786,262
Expenses:				
Program services:				
Healthy aging	$ 1,849,346	$ -	$ 1,849,346	$ 1,098,208
Supporting services:				
Management and general	180,999	-	180,999	194,166
Fundraising	278,263	-	278,263	423,676
Total expenses	$ 2,308,608	$ -	$ 2,308,608	$ 1,716,050
Change in net assets	$ 1,274,564	$ 139,707	$ 1,414,271	$ 1,070,212
Net assets at beginning of year	$ 12,034,347	$ 3,500,461	$ 15,534,808	$ 14,464,596
Net assets at end of year	$ 13,308,911	$ 3,640,168	$ 16,949,079	$ 15,534,808

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, 2021
(With Comparative Totals for 2020)

	Program Services	Supporting Services		Totals	
	Healthy Aging	Management and General	Fundraising	2021	2020
Salaries and related benefits:					
Salaries	$ 578,874	$ 90,201	$ 185,100	$ 854,175	$ 865,381
Payroll taxes	44,716	6,968	14,298	65,982	66,602
Retirement	50,574	7,881	16,171	74,626	82,317
Health, dental and disability insurance	48,494	7,556	15,506	71,556	60,385
Total salaries and related benefits	$ 722,658	$ 112,605	$ 231,076	$ 1,066,339	$ 1,074,685
Program expenses	45,521	-	-	45,521	118,098
Bad debt	3,462	-	-	3,462	-
Depreciation	467,582	19,688	4,922	492,192	64,386
Interest	312,739	13,168	3,292	329,199	-
In-kind expenses	2,017	-	3,155	5,172	7,083
Fundraising	-	-	33,323	33,323	73,933
Office expenses	47,918	2,018	504	50,440	69,994
Other	14,844	625	156	15,625	47,714
Janitorial contractual services	37,764	1,590	398	39,752	-
Promotion	23,960	-	-	23,960	62,445
Utilities	60,790	2,560	640	63,990	28,801
Scholarships	35,222	-	-	35,222	37,874
Buildings and grounds maintenance	12,952	545	136	13,633	26,685
Newsletter	10,145	-	-	10,145	29,795
Bookkeeping	-	-	-	-	5,283
Insurance	32,725	1,378	344	34,447	19,697
Professional fees	-	13,001	-	13,001	14,675
Café	-	12,968	-	12,968	8,323
Telephone	15,374	647	162	16,183	10,507
Postage	2,734	115	29	2,878	4,461
Staff training/recruitment	446	70	121	637	5,634
Membership	493	21	5	519	5,977
Total expenses	$ 1,849,346	$ 180,999	$ 278,263	$ 2,308,608	$ 1,716,050

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, 2021
(With Comparative Totals for 2020)

		2021		2020
Cash flows from operating activities:				
Change in net assets	$	1,414,271	$	1,070,212
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:				
Depreciation		492,192		64,386
Realized and unrealized (gains) losses		(214,905)		16,463
Realized gain on sale of assets		(1,530,792)		-
Forgiveness of PPP loan		(140,295)		-
Investment income		(3,573)		-
In-kind revenues		(5,172)		(7,083)
In-kind expenses		5,172		7,083
(Increase) decrease in:				
Contributions receivable		898,729		3,017,908
Other receivables		22,756		(8,897)
Prepaid expenses		(536)		(107,198)
Other assets		143,645		(128,590)
Increase (decrease) in:				
Accounts payable		(948,482)		278,230
Payroll liabilities		(9,747)		18,326
Compensated absences		(1,672)		8,481
Travel deposits		(67,390)		188,408
Other liabilities		(15,055)		-
Dues and other items received in advance		(32,745)		31,390
Interest payable		(4,072)		29,754
Net cash provided by (used for) operating activities	$	2,329	$	4,478,873
Cash flows from investing activities:				
Purchase of property, furniture, and equipment	$	(182,546)	$	(15,392,910)
Proceeds from sale of assets		2,456,765		-
Increase (decrease) of retainage payable		(398,453)		398,453
Purchase of investments		(18,313)		-
Net cash provided by (used for) investing activities	$	1,857,453	$	(14,994,457)
Cash flows from financing activities:				
Proceeds from note payable	$	280,590	$	9,045,535
Payments on note payable		(2,109,712)		-
Net cash provided by (used for) financing activities	$	(1,829,122)	$	9,045,535
Net change in cash and cash equivalents	$	30,660	$	(1,470,049)
Cash and cash equivalents at beginning of year (including restricted cash of $250,000)		1,360,476		2,830,525
Cash and cash equivalents at end of year (including restricted cash of $260,639)	$	1,391,136	$	1,360,476

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 two financial institutions located in Virginia. The balances are insured by the Federal Deposit Insurance Corporation up to $250,000. At March 31, 2021, The Center had uninsured cash balances in the amount of $875,868.

E. Contributions:

The Center maintains two endowment funds as components of its funds 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.

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, 2021 The Center had net assets without donor restrictions of $13,308,911.

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, 2021 The Center had net assets with donor restrictions of $3,640,168.

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 $47,500, totaled $1,155,801 at March 31, 2021. $953,987 of the balance at March 31, 2021 is expected to be paid to The Center within one year.

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.

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, computers and equipment	5-10 Years
Building	40 Years

Depreciation expense totaled $492,192 for the year ended March 31, 2021.

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, 2021. 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. The Center had 18,837 total volunteer hours recorded for the year ended March 31, 2021. The estimated value of these services received by The Center totaled $548,910.

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 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.

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

O. Compensated Absences:

The Center 's liability for compensated absences of their employees was $33,673. This represents amounts owed to employees under The Center's paid leave policies.

P. 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. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended March 31, 2020, from which the summarized information was derived.

Q. Adoption of Accounting Principle:

In 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-19, *Revenue from Contracts with Customers (Topic 606)*, which provides a five-step analysis of contracts to determine when and how revenue is recognized and replaces most existing revenue recognition guidance in U.S. generally accepted accounting principles. The core principle of the new guidance is that an entity should recognize revenue to reflect the transfer of goods and services to customers in an amount equal to the consideration the entity receives or expects to receive. ASC 606 is effective for annual reporting periods beginning after December 15, 2019. The Center adopted ASC 606 with a date of the initial application of April 1, 2020.

The Center applied ASC 606 using the cumulative effect method, which did not result in the reclassification or restatement to net assets. Therefore, the comparative information has not been adjusted and continues to be reported under extant revenue guidance.

As part of the adoption of ASC 606, The Center elected to use the following transition practical expedients: (1) all contract modifications that occurred prior to the date of initial application when identifying the satisfied and unsatisfied performance obligations, determining the transaction price, and allocating the transaction price have been reflected in the aggregate; and (2) ASC 606 is applied only to contracts that are not completed at the initial date of application. Because contract modifications are minimal, there is not a significant impact as a result of electing these practical expedients.

NOTE 2 - PROPERTY, FURNITURE, AND EQUIPMENT:

Property, furniture, and equipment consisted of the following at March 31, 2021:

	Cost	Accumulated Depreciation	Basis Remaining
Land	$ 2,412,988	$ -	$ 2,412,988
Building	18,984,477	486,461	18,498,016
Computers	20,073	10,521	9,552
Furniture and equipment	341,348	214,238	127,110
Total	$ 21,758,886	$ 711,220	$ 21,047,666

NOTE 3 – THE CENTER AT BELVEDERE:

The new building at The Center at Belvedere has completed construction and has opened in Spring 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 $18,984,477 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 2021 have been included in the statement of activities as a revenue source without donor restriction.

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 all employees was $854,175 for 2021. Total employer contributions for the 2021 plan year were $74,626.

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, 2021:

Capital Campaign	$	3,541,071
Scholarships		5,628
Second Wind Band		179
Matter of Balance		3,697
Financial Wellness Program		74,711
Program Fund		14,882
Total	$	3,640,168

Net assets without donor restrictions include endowment funds in the amount of $691,697, which includes the Ralph L. Feil Scholarship Fund in the amount of $111,302. These funds are board designated for specific activities as outlined in the fund guidelines. $260,639 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, 2021.

NOTE 8 - INVESTMENT RETURNS:

A summary of investment return of the investments held by The Center as of March 31, 2021, follows:

Dividend and interest income	$	12,666
Realized and unrealized gain/(loss)		220,818
Administration expense		(5,914)
Net investment returns	$	227,570

NOTE 9 - BOARD-DESIGNATED ENDOWMENT:

The Center's endowment consists of two individual funds. The first fund, Elizabeth A. Seabrook 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 other separate 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 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.

NOTE 9 - BOARD-DESIGNATED ENDOWMENT: (Continued)

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, 2021, were as follows:

Board-designated endowment net assets, beginning of year	$ 454,907
Contributions	18,313
Interest and dividends	3,573
Realized and unrealized gains (losses)	220,818
Administration fees	(5,914)
Board-designated endowment net assets, end of year	$ 691,697

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.

NOTE 10 - FAIR VALUE MEASUREMENTS: (Continued)

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

	Total 3/31/21	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	$ 691,697	$ -	$ -	$ 691,697
Total	$ 691,697	$ -	$ -	$ 691,697

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 - 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, 2021). The credit line is renewable annually and is collateralized by the Center's operating bank account held at Carter Bank, which had a year-end balance of $248,989. The balance as of March 31, 2021 was $0.

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:

	2021
Cash and cash equivalents	$ 1,130,497
Contributions receivable	1,155,801
Accounts receivable	2,949
Beneficial interest in agency fund held by third party	691,697
Total	$ 2,980,944

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 positive cash flow of $30,660 for the fiscal year ending March 31, 2021.

NOTE 13 – NOTE PAYABLE:

Notes payable at March 31, 2021 consist of one financial agreement for the property located at The Center at Belvedere in Charlottesville, Virginia. The construction loan is set to convert to a long-term note in November 2021, with amounts required to amortize as follows:

Year Ended	Principal
2022	$ 6,935,823
Total	$ 6,935,823

Terms of the note and balance due at March 31, 2021 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%.	$ 6,935,823

NOTE 14 – PAYCHECK PROTECTION PROGRAM (PPP) LOAN:

The Organization received $280,590 as part of the Small Business Administration's Paycheck Protection Program (PPP). The proceeds of this loan may be fully forgiven in the event that at least 60% is used for payroll and utilities within the first 24 weeks of receipt of the proceeds. The Organization has elected to account for the loan as debt under FASB ASC Topic 470. The term of the PPP loan, less any forgiven portion, is for two years at an annual rate of interest at 1%. The Organization has received full forgiveness of the first round of PPP proceeds, which was $140,295. The remaining $140,295 is expected to be forgiven after March 31, 2021.

NOTE 15 – LEASE REVENUE:

The Center entered into a 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 signed into effect 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. For the year ended March 31, 2021, monthly lease revenues were $7,222. Lease payments due to The Center will increase on annual basis by CPI.

NOTE 16 – DATE OF MANAGEMENT'S REVIEW:

Management has evaluated events and transactions for potential recognition or disclosure through June 28, 2021, the date the financial statements were available to be issued.

- Supplementary Information -

SENIOR CENTER, INCORPORATED

Schedule of Revenues, Expenses, and Capital Activity - Operating Fund and Capital Fund
Year Ended March 31, 2021

	Operating	Capital	Total
Revenues, gains and other support:			
Contributions	$ 1,040,124	$ 347,087	$ 1,387,211
Dues	268,861	-	268,861
Program fees	56,352	-	56,352
Special events - net of direct expenses of $6,449	(3,439)	-	(3,439)
Grants	116,521	-	116,521
Short term rentals	2,095	-	2,095
Lease revenue	86,767	-	86,767
Travel program - net of direct expenses of $22,114	(16,612)	-	(16,612)
Investment returns, net of direct expenses	227,570	-	227,570
Realized gain on sale of assets	1,530,792	-	1,530,792
Newsletter	275	-	275
In-kind revenue	5,172	-	5,172
Miscellaneous	140,744	-	140,744
Total revenues, gains and other support	$ 3,455,222	$ 347,087	$ 3,802,309
Expenses:			
Salaries and related benefits:			
Salaries	$ 854,175	$ -	$ 854,175
Payroll taxes	65,982	-	65,982
Retirement and life insurance	74,626	-	74,626
Health, dental and disability insurance	71,556	-	71,556
Total salaries and related benefits	$ 1,066,339	$ -	$ 1,066,339
Program expenses	45,521	-	45,521
Bad debt	3,462	-	3,462
Depreciation	492,192	-	492,192
Interest	329,199	-	329,199
Fundraising	33,323	-	33,323
Office expenses	50,440	-	50,440
Other	15,625	-	15,625
Janitorial contractual services	39,752	-	39,752
Promotion	23,960	-	23,960
Utilities	63,990	-	63,990
Scholarships	35,222	-	35,222
Building maintenance and repairs	13,633	-	13,633
Newsletter	10,145	-	10,145
Insurance	34,447	-	34,447
Professional fees	13,001	-	13,001
Café	12,968	-	12,968
Telephone	16,183	-	16,183
Postage	2,878	-	2,878
Staff training/recruitment	637	-	637
Membership	519	-	519
Total expenses	$ 2,308,608	$ -	$ 2,308,608
Capitalized costs	$ 21,782	$ 160,764	$ 182,546
Total expenses and capitalized costs	$ 2,330,390	$ 160,764	$ 2,491,154

SENIOR CENTER, INCORPORATED

Consolidating Statement of Financial Position
At March 31, 2021
(With Comparative Totals for 2020)

	The Center	Center Café LLC	Eliminations	Totals 2021	Totals 2020
Assets:					
Cash and cash equivalents	$ 1,126,770	$ 3,727	$ -	$ 1,130,497	$ 1,110,476
Cash and cash equivalents - restricted	260,639	-	-	260,639	250,000
Contributions receivable, net of allowance of $47,500 and $50,000	1,155,801	-	-	1,155,801	2,054,530
Other receivables	2,949	-	-	2,949	25,705
Prepaid expenses	112,693	-	-	112,693	112,157
Other assets	105,147	-	(105,147)	-	128,590
Beneficial interest in agency fund held by third party	691,697	-	-	691,697	454,907
Property, furniture, and equipment, net of accumulated depreciation of $711,220 and $1,681,181	21,043,094	4,572	-	21,047,666	22,283,284
Total assets	$ 24,498,790	$ 8,299	$ (105,147)	$ 24,401,942	$ 26,419,649
Liabilities:					
Accounts payable	$ 15,343	$ 1,918	$ -	$ 17,261	$ 965,743
Payroll liabilities	10,904	1,597	-	12,501	22,248
Retainage payable	-	-	-	-	398,453
Compensated absences	33,673	-	-	33,673	35,345
Travel deposits	182,681	-	-	182,681	250,071
Dues and other items received in advance	104,947	-	-	104,947	137,692
Other liabilities	-	105,147	(105,147)	-	-
Paycheck Protection Program (PPP) loan	140,295	-	-	140,295	-
Interest payable	25,682	-	-	25,682	29,754
Note payable	6,935,823	-	-	6,935,823	9,045,535
Total liabilities	$ 7,449,348	$ 108,662	$ (105,147)	$ 7,452,863	$ 10,884,841
Net assets:					
Net assets without donor restrictions	$ 13,409,274	$ (100,363)	$ -	$ 13,308,911	$ 12,034,347
Net assets with donor restrictions	3,640,168	-	-	3,640,168	3,500,461
Total net assets	$ 17,049,442	$ (100,363)	$ -	$ 16,949,079	$ 15,534,808
Total liabilities and net assets	$ 24,498,790	$ 8,299	$ (105,147)	$ 24,401,942	$ 26,419,649

SENIOR CENTER, INCORPORATED

Consolidating Statement of Activities
Year Ended March 31, 2021
(With Comparative Totals for 2020)

	The Center	Center Café LLC	Eliminations	Without Donor Restrictions	With Donor Restrictions	Totals 2021	Totals 2020
Revenues, gains and other support:							
Contributions	$ 989,342	$ 5	$ -	$ 989,347	$ 397,864	$ 1,387,211	$ 1,820,909
Dues	268,861	-	-	268,861	-	268,861	241,764
Program fees	56,352	-	-	56,352	-	56,352	87,001
Special events - net of direct expenses of $6,449 and $3,789	(3,439)	-	-	(3,439)	-	(3,439)	132,096
Grants	116,521	-	-	116,521	-	116,521	101,165
Short term rentals	2,095	-	-	2,095	-	2,095	56,092
Lease revenue	86,767	-	-	86,767	-	86,767	-
Café sales - net of direct expenses of $133,592 and $0	-	(79,430)	-	(79,430)	-	(79,430)	-
Travel program - net of direct expenses of $22,114 and $229,698	(16,612)	-	-	(16,612)	-	(16,612)	86,829
Investment returns - net of direct expenses of $5,914 and $5,056	227,570	-	-	227,570	-	227,570	(3,654)
Realized gain on sale of assets	1,530,792	-	-	1,530,792	-	1,530,792	-
Newsletter	275	-	-	275	-	275	4,950
In-kind revenue	5,172	-	-	5,172	-	5,172	7,083
Miscellaneous	140,716	28	-	140,744	-	140,744	252,027
Net assets released from restrictions:							
Restrictions satisfied by payments	258,157	-	-	258,157	(258,157)	-	-
Total revenues, gains and other support	$ 3,662,569	$ (79,397)	$ -	$ 3,583,172	$ 139,707	$ 3,722,879	$ 2,786,262
Expenses:							
Program services:							
Healthy aging	$ 1,849,346	$ -	$ -	$ 1,849,346	$ -	$ 1,849,346	$ 1,098,208
Supporting services:							
Management and general	167,479	13,520	-	180,999	-	180,999	194,166
Fundraising	278,263	-	-	278,263	-	278,263	423,676
Total expenses	$ 2,295,088	$ 13,520	$ -	$ 2,308,608	$ -	$ 2,308,608	$ 1,716,050
Change in net assets	$ 1,367,481	$ (92,917)	$ -	$ 1,274,564	$ 139,707	$ 1,414,271	$ 1,070,212
Net assets at beginning of year	$ 12,041,793	$ (7,446)	$ -	$ 12,034,347	$ 3,500,461	$ 15,534,808	$ 14,464,596
Net assets at end of year	$ 13,409,274	$ (100,363)	$ -	$ 13,308,911	$ 3,640,168	$ 16,949,079	$ 15,534,808

SENIOR CENTER, INCORPORATED

Consolidating Statement of Cash Flows
Year Ended March 31, 2021
(With Comparative Totals for 2020)

	The Center	Center Café LLC	Eliminations	Totals 2021	Totals 2020
Cash flows from operating activities:					
Change in net assets	$ 1,507,188	$ (92,917)	$ -	$ 1,414,271	$ 1,070,212
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:					
Depreciation	492,192	-	-	492,192	64,386
Realized and unrealized (gains) losses	(214,905)	-	-	(214,905)	16,463
Realized gain on sale of assets	(1,530,792)	-	-	(1,530,792)	-
Forgiveness of PPP loan	(140,295)	-	-	(140,295)	-
Investment income	(3,573)	-	-	(3,573)	-
In-kind revenues	(5,172)	-	-	(5,172)	(7,083)
In-kind expenses	5,172	-	-	5,172	7,083
(Increase) decrease in:					
Contributions receivable	898,729	-	-	898,729	3,017,908
Other receivables	22,756	-	-	22,756	(8,897)
Prepaid expenses	(536)	-	-	(536)	(107,198)
Other assets	38,498	-	105,147	143,645	(128,590)
Increase (decrease) in:					
Accounts payable	(950,400)	1,918	-	(948,482)	278,230
Payroll liabilities	(9,158)	(589)	-	(9,747)	18,326
Compensated absences	(1,672)	-	-	(1,672)	8,481
Travel deposits	(67,390)	-	-	(67,390)	188,408
Other liabilities	-	90,092	(105,147)	(15,055)	-
Dues and other items received in advance	(32,745)	-	-	(32,745)	31,390
Interest payable	(4,072)	-	-	(4,072)	29,754
Net cash provided by (used for) operating activities	$ 3,825	$ (1,496)	$ -	$ 2,329	$ 4,478,873
Cash flows from investing activities:					
Purchase of property, furniture, and equipment	$ (182,546)	$ -	$ -	$ (182,546)	$ (15,392,910)
Proceeds from sale of assets	2,456,765	-	-	2,456,765	-
Increase (decrease) of retainage payable	(398,453)	-	-	(398,453)	398,453
Purchase of investments	(18,313)	-	-	(18,313)	-
Net cash provided by (used for) investing activities	$ 1,857,453	$ -	$ -	$ 1,857,453	$ (14,994,457)
Cash flows from financing activities:					
Proceeds from note payable	$ 280,590	$ -	$ -	$ 280,590	$ 9,045,535
Payments on note payable	(2,109,712)	-	-	(2,109,712)	-
Net cash provided by (used for) financing activities	$ (1,829,122)	$ -	$ -	$ (1,829,122)	$ 9,045,535
Net change in cash and cash equivalents	$ 32,156	$ (1,496)	$ -	$ 30,660	$ (1,470,049)
Cash and cash equivalents at beginning of year (including restricted cash of $250,000)	1,355,253	5,223	-	1,360,476	2,830,525
Cash and cash equivalents at end of year (including restricted cash of $260,639)	$ 1,387,409	$ 3,727	$ -	$ 1,391,136	$ 1,360,476