

CENTER FOR ACTIVE SENIORS, INC.
FINANCIAL STATEMENTS
JUNE 30, 2017

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Independent Auditors' Report

To the Board of Directors
Center for Active Seniors, Inc.
Davenport, Iowa

Report On The Financial Statements

We have audited the accompanying financial statements of Center for Active Seniors, Inc. which comprise the statements of financial position as of June 30, 2017 and 2016, the related statements of activities and change in net assets, functional expenses and cash flows for the years 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 audits. We conducted our audits 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 auditor's 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 Center for Active Seniors, Inc. as of June 30, 2017 and 2016 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

HONKAMP KRUEGER & CO., P.C.

Honkamp Krueger & Co., P.C.

Davenport, Iowa
January 24, 2018

CENTER FOR ACTIVE SENIORS, INC.
STATEMENTS OF FINANCIAL POSITION

	June 30,	
	2017	2016
Assets		
Current Assets		
Cash	\$ 197,114	\$ 135,979
Accounts receivable	126,946	177,807
Other current assets	39,448	36,461
Total Current Assets	363,508	350,247
Property And Equipment	3,374,143	3,476,946
Other Assets		
Weinzweig Trusts	324,190	306,493
Community Foundation	50,830	43,702
Total Other Assets	375,020	350,195
	\$ 4,112,671	\$ 4,177,388
Liabilities And Net Assets		
Current Liabilities		
Current portion of long-term debt	\$ 10,260	\$ 12,250
Accounts payable and accrued expenses	108,176	142,750
Total Current Liabilities	118,436	155,000
Long-Term Debt	207,004	113,664
Total Liabilities	325,440	268,664
Net Assets		
Unrestricted	3,384,542	3,481,046
Temporarily restricted	361,397	391,617
Permanently restricted	41,292	36,061
Total Net Assets	3,787,231	3,908,724
	\$ 4,112,671	\$ 4,177,388

CENTER FOR ACTIVE SENIORS, INC.
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
For The Year Ended June 30, 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Activity All Net Assets
Public Support And Revenue				
Public Support				
Contributions and bequests	\$ 371,263	\$ 29,458	\$ —	\$ 400,721
Grants	424,890	—	—	424,890
Medicaid waiver	52,966	—	—	52,966
Net assets released from restrictions	77,375	(77,375)	—	—
Total Public Support	926,494	(47,917)	—	878,577
Revenue				
Fees	505,216	—	—	505,216
Rent, Café and gift shop	88,551	—	—	88,551
Investment income	407	22,924	—	23,331
Change in Community Foundation	3,997	—	5,231	9,228
Other revenue	14,875	—	—	14,875
Net assets released from restrictions	5,227	(5,227)	—	—
Total Revenue	618,273	17,697	5,231	641,201
Total Public Support And Revenue	1,544,767	(30,220)	5,231	1,519,778
Expenses				
Program Services				
Senior advocacy/outreach	460,421	—	—	460,421
Leisure/activities	194,217	—	—	194,217
Volunteer	32,703	—	—	32,703
Adult day services	424,050	—	—	424,050
Total Program Services	1,111,391	—	—	1,111,391
Supporting Services				
Management and general	311,404	—	—	311,404
Fundraising	218,476	—	—	218,476
Total Supporting Services	529,880	—	—	529,880
Total Expenses	1,641,271	—	—	1,641,271
Change In Net Assets	(96,504)	(30,220)	5,231	(121,493)
Net Assets – Beginning Of Year	3,481,046	391,617	36,061	3,908,724
Net Assets – End Of Year	\$ 3,384,542	\$ 361,397	\$ 41,292	\$ 3,787,231

CENTER FOR ACTIVE SENIORS, INC.
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
For The Year Ended June 30, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Activity All Net Assets
Public Support And Revenue				
Public Support				
Contributions and bequests	\$ 329,015	\$ 81,524	\$ —	\$ 410,539
Grants	434,780	—	—	434,780
Medicaid waiver	69,323	—	—	69,323
Net assets released from restrictions	97,426	(97,426)	—	—
Total Public Support	930,544	(15,902)	—	914,642
Revenue				
Fees	465,967	—	—	465,967
Rent, Café and gift shop	76,375	—	—	76,375
Investment income	863	(3,735)	—	(2,872)
Change in Community Foundation	(1,274)	—	—	(1,274)
Other revenue	6,419	—	—	6,419
Net assets released from restrictions	5,222	(5,222)	—	—
Total Revenue	553,572	(8,957)	—	544,615
Total Public Support And Revenue	1,484,116	(24,859)	—	1,459,257
Expenses				
Program Services				
Senior advocacy/outreach	437,281	—	—	437,281
Leisure/activities	230,271	—	—	230,271
Volunteer	31,591	—	—	31,591
Adult day services	397,057	—	—	397,057
Total Program Services	1,096,200	—	—	1,096,200
Supporting Services				
Management and general	346,438	—	—	346,438
Fundraising	222,424	—	—	222,424
Total Supporting Services	568,862	—	—	568,862
Total Expenses	1,665,062	—	—	1,665,062
Change In Net Assets	(180,946)	(24,859)	—	(205,805)
Net Assets – Beginning Of Year	3,661,992	416,476	36,061	4,114,529
Net Assets – End Of Year	\$ 3,481,046	\$ 391,617	\$ 36,061	\$ 3,908,724

CENTER FOR ACTIVE SENIORS, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For The Year Ended June 30, 2017

	Program Services				Supporting Services			Total Functional Expenses	
	Senior Advocacy/ Outreach	Leisure/ Activities	Volunteer	Adult Day Services	Total Program Services	Management And General	Fundraising		Total Supporting Services
Salaries	\$ 320,203	\$ 70,085	\$ 4,960	\$ 220,113	\$ 615,361	\$ 172,354	\$ 135,405	\$ 307,759	\$ 923,120
Employee benefits	24,822	5,927	542	22,794	54,085	14,962	5,764	20,726	74,811
Payroll taxes	32,038	8,376	815	24,865	66,094	18,516	7,972	26,488	92,582
Total Salaries And Related Expenses	377,063	84,388	6,317	267,772	735,540	205,832	149,141	354,973	1,090,513
Professional fees	—	—	—	—	—	21,603	—	21,603	21,603
Supplies	15,818	11,218	—	2,108	29,144	7,615	1,315	8,930	38,074
Telephone and utilities	15,929	14,499	4,078	18,124	52,630	13,157	—	13,157	65,787
Postage	367	617	174	773	1,931	483	—	483	2,414
Printing	1,449	2,813	686	3,051	7,999	3,353	5,411	8,764	16,763
Rent	250	420	118	526	1,314	328	—	328	1,642
Special events	—	3,000	—	—	3,000	—	61,208	61,208	64,208
Local transportation	—	—	—	23,285	23,285	—	—	—	23,285
Conferences	1,597	2,251	627	2,804	7,279	1,928	435	2,363	9,642
Insurance	6,914	11,643	3,274	14,555	36,386	9,096	—	9,096	45,482
Travel	3,435	—	—	252	3,687	1,097	699	1,796	5,483
Dues and subscriptions	1,095	558	157	1,156	2,966	779	150	929	3,895
Repairs and maintenance	8,104	14,393	3,839	17,128	43,464	10,866	—	10,866	54,330
Interest	2,356	3,967	1,116	4,960	12,399	3,100	—	3,100	15,499
Bad debt	1,976	3,328	936	7,908	14,148	—	—	—	14,148
Meals/snacks	—	—	—	7,634	7,634	—	37	37	7,671
Miscellaneous	1,113	2,462	507	3,688	7,770	1,963	80	2,043	9,813
Total Expenses Before Depreciation	437,466	155,557	21,829	375,724	990,576	281,200	218,476	499,676	1,490,252
Depreciation	22,955	38,660	10,874	48,326	120,815	30,204	—	30,204	151,019
Total Expenses	\$ 460,421	\$ 194,217	\$ 32,703	\$ 424,050	\$ 1,111,391	\$ 311,404	\$ 218,476	\$ 529,880	\$ 1,641,271

CENTER FOR ACTIVE SENIORS, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For The Year Ended June 30, 2016

	Program Services				Supporting Services			Total Functional Expenses	
	Senior Advocacy/ Outreach	Leisure/ Activities	Volunteer	Adult Day Services	Total Program Services	Management and General	Fundraising		Total Supporting Services
Salaries	\$ 300,332	\$ 101,982	\$ 4,907	\$ 182,598	\$ 589,819	\$ 209,910	\$ 135,636	\$ 345,546	\$ 935,365
Employee benefits	24,851	6,599	409	23,912	55,771	15,261	5,274	20,535	76,306
Payroll taxes	32,618	11,862	843	22,139	67,462	18,757	7,566	26,323	93,785
Total Salaries And Related Expenses	357,801	120,443	6,159	228,649	713,052	243,928	148,476	392,404	1,105,456
Professional fees	—	—	—	—	—	18,607	—	18,607	18,607
Supplies	14,221	13,146	35	2,755	30,157	8,738	4,794	13,532	43,689
Telephone and utilities	14,970	13,987	3,934	17,484	50,375	12,594	—	12,594	62,969
Postage	326	515	144	643	1,628	407	—	407	2,035
Printing	2,241	4,572	1,062	5,258	13,133	3,288	19	3,307	16,440
Rent	357	602	169	751	1,879	470	—	470	2,349
Special events	—	4,697	—	—	4,697	—	68,927	68,927	73,624
Local transportation	—	—	—	25,877	25,877	—	—	—	25,877
Conferences	2,711	2,687	756	3,985	10,139	2,597	250	2,847	12,986
Insurance	6,994	11,779	3,313	14,725	36,811	9,203	—	9,203	46,014
Travel	2,518	—	—	—	2,518	710	324	1,034	3,552
Dues and subscriptions	1,679	1,374	386	3,002	6,441	1,610	—	1,610	8,051
Repairs and maintenance	7,274	12,789	3,445	16,226	39,734	9,934	—	9,934	49,668
Interest	1,737	2,925	823	3,657	9,142	2,286	—	2,286	11,428
Bad debt	—	—	—	15,000	15,000	—	—	—	15,000
Meals/snacks	—	—	—	6,585	6,585	—	398	398	6,983
Miscellaneous	1,961	2,876	711	5,114	10,662	2,474	(764)	1,710	12,372
Total Expenses Before Depreciation	414,790	192,392	20,937	349,711	977,830	316,846	222,424	539,270	1,517,100
Depreciation	22,491	37,879	10,654	47,346	118,370	29,592	—	29,592	147,962
Total Expenses	\$ 437,281	\$ 230,271	\$ 31,591	\$ 397,057	\$ 1,096,200	\$ 346,438	\$ 222,424	\$ 568,862	\$ 1,665,062

CENTER FOR ACTIVE SENIORS, INC.

STATEMENTS OF CASH FLOWS

	For The Years Ended June 30,	
	2017	2016
Cash Flows From Operating Activities		
Change in net assets	\$ (121,493)	\$ (205,805)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	151,019	147,962
Net unrealized (gain) loss on Weinzweig Trusts	(22,924)	3,735
Distributions from Weinzweig Trusts	5,227	5,222
Change in Community Foundation	(9,228)	1,274
Distributions from Community Foundation	2,100	2,200
Contributions restricted for capital campaign – Café expansion	—	(48,789)
Changes in assets and liabilities:		
Accounts receivable	50,861	(29,069)
Other current assets	(2,987)	(9,337)
Accounts payable and accrued expenses	(34,574)	43,823
Net Cash Provided By (Used In) Operating Activities	18,001	(88,784)
Cash Flows Used In Investing Activities		
Purchase of property and equipment	(48,216)	(45,441)
Cash Flows From Financing Activities		
Proceeds from capital campaign – Café expansion	—	48,789
Proceeds from issuance of long-term debt	103,600	—
Payments on long-term debt	(12,250)	(11,596)
Net Cash Provided By Financing Activities	91,350	37,193
Net Change In Cash	61,135	(97,032)
Cash – Beginning Of Year	135,979	233,011
Cash – End Of Year	\$ 197,114	\$ 135,979

CENTER FOR ACTIVE SENIORS, INC.

NOTES TO FINANCIAL STATEMENTS

1. Nature Of Organization And Significant Accounting Policies

The Center for Active Seniors, Inc. (the “Center”) is a not-for-profit corporation organized under the laws of the state of Iowa for the purpose of providing services that promote independence and enrich the lives of older adults through socialization, health and wellness and supportive services.

The Center’s vision is to be recognized by the community to be a premier resource for older adults.

Senior Advocacy/Outreach – To provide older adults with information on community programs, services and benefits that will help them remain independent in the home for as long as possible.

Leisure/Activities – To provide an environment where a person can enjoy a broad spectrum of social programs and services.

Volunteer – Designed to coordinate opportunities for residents of all ages who want to assist in serving their community.

Adult Day Services – The only adult day care center of its kind in Scott County, providing care for the older adult in a safe and stimulating environment. Participants receive assistance and retraining in daily living activities, therapeutic activities, health education, exercise, a nutritional meal and socialization with peers in a safe setting.

A summary of the Center’s significant accounting policies follows:

Basis Of Presentation

The financial statements of the Center have been prepared in accordance with accounting principles generally accepted in the United States of America.

Use Of Estimates

Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenue and expenses. Actual results could differ from those estimates.

Cash

The Center places its cash with high credit quality financial institutions. At times, such amounts may be in excess of the Federal Deposit Insurance Corporation insurance limits.

CENTER FOR ACTIVE SENIORS, INC.

Notes To Financial Statements (*Continued*)

Allowance For Doubtful Accounts

Accounts receivable and capital campaign receivable are written off based on historical data and specific circumstances of the account and when management determines that all reasonable collection efforts have been exhausted. The allowance for doubtful accounts is based on management's review of the outstanding receivables, historical and current collection information, the current condition of the aging of the accounts and existing economic conditions. The allowance for doubtful accounts was \$12,821 and \$16,456 at June 30, 2017 and 2016, respectively.

Property And Equipment

Property and equipment are carried at cost, less accumulated depreciation. Major expenditures for improvements and those which substantially increase useful lives are capitalized. Maintenance, repairs and minor renewals are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in income.

Property and equipment are depreciated using the straight-line method over the following estimated useful lives:

Building and improvements	5 – 39 years
Equipment and vehicles	3 – 15 years

The Center has established a capitalization policy amount of \$1,000, whereby capital expenditures of less than \$1,000 are charged immediately to functional expense without regard to the estimated useful life of the asset acquired.

Net Assets

The Center's resources are classified into three separate classes of net assets as follows:

Unrestricted Net Assets: Net assets which are free of donor-imposed restrictions; all revenues, expenses, gains, and losses that are not changes in permanently or temporarily restricted net assets.

Temporarily Restricted Net Assets: Net assets whose use by the Center are limited by donor-imposed restrictions that either expire by the passage of time or can be removed by fulfillment of the stipulated purpose for which the donation was restricted.

Permanently Restricted Net Assets: Net assets donated with stipulations that they be invested to provide a permanent source of income (e.g., endowment funds); such restrictions can neither expire with the passage of time nor be removed by fulfillment of a stipulated purpose.

CENTER FOR ACTIVE SENIORS, INC.

Notes To Financial Statements (*Continued*)

Expenses are generally reported as decreases in unrestricted net assets. Expiration of donor-imposed restrictions that simultaneously increase one class of net assets and decrease another are reported as reclassifications between the applicable classes of net assets. Donor-imposed restrictions that are met in the same period the contribution was received are reported as unrestricted support.

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. Directly identifiable expenses are charged to programs and supporting services. Management and general expenses include those expenses that are not directly identifiable with any other specific function, but provide overall support and direction of the Center. Fundraising expenses include those expenses that are directly identifiable to the solicitation of contributions.

Revenue Recognition

Contributions are recognized as revenue when promised.

The Center reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. 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 Center reports gifts of land, building 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 those long-lived assets must be maintained, the Center reports expirations of donor restrictions when the donated or acquired assets are placed in service.

Federal grants are accounted for as exchange transactions and the revenue is recognized on the grants as the related costs are incurred.

Unconditional promises to give are recorded in the period the promise is made and are usually due within one year.

Many individuals volunteer countless hours of their time and perform a variety of tasks that assist the Center with specific programs and various committee assignments. The value of these donated services is not reflected in these financial statements since they are not susceptible to objective measurement or valuation.

CENTER FOR ACTIVE SENIORS, INC.

Notes To Financial Statements (*Continued*)

Income Tax Status

The Center is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law and contributions to it are tax deductible within the limitations prescribed by the Internal Revenue Code.

In accordance with the income taxes topic of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"), management evaluated the Center's tax positions and concluded that the Center had maintained its tax-exempt status and had taken no uncertain tax positions that require adjustment to the financial statements. Therefore, no provision or liability for income taxes has been included in the financial statements.

Recent Accounting Pronouncements

In May 2014, the FASB issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers*. The standard's core principle is that an entity will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This standard also includes expanded disclosure requirements that result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the entity's contracts with customers. This standard will be effective for the fiscal year ending June 30, 2020. The Center has not yet selected a transition method and is currently evaluating the effect this updated standard will have on the financial statements.

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. While the guidance is effective for fiscal years beginning after December 15, 2017, early adoption is allowed. Some of the key elements of the ASU are as follows. Under the new guidance the Center would present net assets under two classifications, net assets with donor restrictions and net assets without donor restrictions. Expanded disclosures on any board designation of net assets without donor restrictions will also be required. Additional disclosures, both qualitative and quantitative, will be required to communicate information useful in assessing liquidity within one year of the statement of financial position date. The components of net investment expense no longer will be required to be disclosed; however, organizations may continue to include this information when their financial statement users have an interest in that information. In addition, some of the new reporting requirements related to expenses are included as follows: disclosure of expenses by both nature and function (excluding investment expenses that have been netted with investment return), disclosure of expense netted with investment return and enhanced disclosures regarding cost allocations. The Center is currently evaluating the effect this updated standard will have on the financial statements.

CENTER FOR ACTIVE SENIORS, INC.

Notes To Financial Statements *(Continued)*

In February 2016, the FASB issued ASU 2016-02, *Leases*. The standard requires all leases with terms over 12 months to be capitalized as a right-of-use asset and lease liability on the statement of financial position at the date of lease commencement. Leases will be classified as either finance or operating. This distinction will be relevant for the pattern of expense recognition in the statement of activities and changes in net assets. This standard will be effective for the fiscal year ending June 30, 2021. The Center is currently evaluating the effect this standard will have on the financial statements.

Reclassification

Certain amounts in the 2016 financial statements have been reclassified to conform to the 2017 presentation.

Subsequent Events

Management has evaluated subsequent events through January 24, 2018, the date the financial statements were available to be issued.

CENTER FOR ACTIVE SENIORS, INC.

Notes To Financial Statements (Continued)

2. Property And Equipment

Property and equipment consists of:

	June 30,	
	2017	2016
Land and improvements	\$ 378,400	\$ 378,400
Building and improvements	5,162,562	5,140,835
Equipment and vehicles	399,211	372,722
	5,940,173	5,891,957
Less: Accumulated depreciation	(2,566,030)	(2,415,011)
	\$ 3,374,143	\$ 3,476,946

3. Fair Value Measurements And Other Assets

ASC Topic 820 establishes a framework for measuring fair value which provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC Topic 820 are described as follows:

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Center has the ability to access.
Level 2	Inputs to the valuation methodology include: <ul style="list-style-type: none">▪ Quoted prices for similar assets or liabilities in active markets;▪ Quoted prices for identical or similar assets or liabilities in inactive markets;▪ Inputs other than quoted prices that are observable for the asset or liability;▪ Inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

CENTER FOR ACTIVE SENIORS, INC.

Notes To Financial Statements (Continued)

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2017 and 2016.

If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics, audited financial statements of the funds, or discounted cash flow.

The Center invests in various investment securities. Investment securities in general are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

Weinzweig Trusts

The Center is a 1/8 beneficiary of the Weinzweig Trusts, which are considered to be temporarily restricted net assets. As of January 1, 2011, the trusts began paying 5% of the trust corpus to the beneficiaries each year. Distributions for the year ended June 30, 2017 were \$5,227 and are recorded as investment income on the statement of activities and change in net assets. Annually, the asset is adjusted based on the statement value to 1/8 the fair value of the assets held in the trust. Changes in the fair value of the underlying assets in the trusts are reported as investment income on the statement of activities and change in net assets. The following is a reconciliation of the beginning and ending balances for the Center's Weinzweig Trusts other asset measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

	For The Years Ended June 30,	
	2017	2016
Beginning Balance Of Weinzweig Trusts	\$ 306,493	\$ 315,450
Change in value	22,924	(3,735)
Distributions	(5,227)	(5,222)
Ending Balance Of Weinzweig Trusts	\$ 324,190	\$ 306,493

CENTER FOR ACTIVE SENIORS, INC.

Notes To Financial Statements (Continued)

Community Foundation

The Community Foundation of the Great River Bend holds funds in the name of the Center that have a cost basis of \$45,035. Of that amount, approximately \$3,743 can be released at the request of the Center and approval of Community Foundation's board. This is made up of the initial \$10,000 invested by the Center during the year ended June 30, 2003, plus cumulative investment income less distributions. The balance of \$41,292 consists of money contributed by outside donors on the Center's behalf and \$5,000 from the Community Foundation's matching program in 2007. Annually, the asset is adjusted based on the statement value to the fair value held in the fund. Changes in the fair value of the underlying assets are reported as a change in Community Foundation on the statement of activities and change in net assets. The following is a reconciliation of the beginning and ending balances for the Center's Community Foundation other asset measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

	For The Years Ended June 30,	
	2017	2016
Beginning Balance Of Community Foundation	\$ 43,702	\$ 47,176
Grants awarded to CASI from Community Foundation	(2,100)	(2,200)
Change in value – net of expenses	9,228	(1,274)
Ending Balance Of Community Foundation	\$ 50,830	\$ 43,702

4. Conditional Promise To Give

The Center has received a promise to give that is conditional on the death of both the donors. The donors have named the Center as the beneficiary of their life insurance contracts. The value of the life insurance contract upon their death given premiums have been paid in full is \$250,000. The conditional promise to give will not be recorded as a receivable and contribution revenue until the conditions have been met rendering the promise unconditional. The cash surrender value of the policy was \$27,269 and \$23,596 for the years ending June 30, 2017 and 2016, respectively. This asset is included in other current assets on the statements of financial position as the Center is the owner of the policy.

CENTER FOR ACTIVE SENIORS, INC.

Notes To Financial Statements (Continued)

5. Long-Term Debt And Line Of Credit

The Center has a 15-year note with the Illinois Facilities Fund. The note matures on October 31, 2031 and has an interest rate of 5.375%. Principal and interest payments in the amount of \$1,573 were paid monthly through November 2016. In November 2016, the Center refinanced the note for \$223,000 and monthly principal and interest payments of \$1,807. The interest rate on this note is to be adjusted every five years to 2.00% over the U.S. Treasury rate on notes with a term similar to the note payable's remaining term at the time of adjustment. The note is secured by a mortgage, assignment of leases and rents and security agreement and fixture filing. The balance at June 30, 2017 and 2016 was \$217,264 and \$125,914, respectively. Payments on the note payable are due as follows:

Year	Amount
2018	\$ 10,260
2019	10,826
2020	11,422
2021	12,051
2022	12,715
Thereafter	159,990
	217,264
Less: Current maturities	10,260
	\$ 207,004

The Center has a line of credit agreement with a commercial bank for which interest is due monthly at prime plus 1% with a floor of 6%. Maximum potential borrowings under this agreement are \$50,000. Any borrowings would be collateralized by accounts receivable and equipment. The agreement is renewed annually. It was renewed on December 3, 2017, under the same terms, extending the due date to December 3, 2018. No amounts were drawn on the line of credit agreement as of June 30, 2017.

CENTER FOR ACTIVE SENIORS, INC.

Notes To Financial Statements (Continued)

6. Temporarily Restricted Net Assets

Temporarily restricted net assets consists of:

	June 30,	
	2017	2016
United Way	\$ 2,134	\$ 52,735
Capital campaign – Café expansion	8,141	32,389
Weinzweig Trusts	324,190	306,493
Senior Advocacy	15,000	—
Be a Santa to a Senior	11,932	—
	<u>\$ 361,397</u>	<u>\$ 391,617</u>

7. Net Assets Released From Restrictions

Net assets released from restrictions consist of:

	For The Years Ended June 30,	
	2017	2016
United Way	\$ 52,735	\$ 51,660
Bechtel Trust – new director positions	—	42,366
Capital campaign – Café expansion	24,640	1,400
Jane's place door alarm	—	2,000
Weinzweig Trusts	5,227	5,222
	<u>\$ 82,602</u>	<u>\$ 102,648</u>

8. Permanently Restricted Net Assets

Permanently restricted net assets are held by the Community Foundation and the balance at June 30, 2017 and 2016 was \$41,292 and \$36,061, respectively.