

CENTER FOR ACTIVE SENIORS, INC.
FINANCIAL STATEMENTS
JUNE 30, 2016

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Independent Auditors' Report

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

We have audited the accompanying financial statements of Center for Active Seniors, Inc. which comprise the statements of financial position as of June 30, 2016 and 2015, 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, 2016 and 2015 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.

Davenport, Iowa
February 22, 2017

CENTER FOR ACTIVE SENIORS, INC.
STATEMENTS OF FINANCIAL POSITION

	June 30,	
	2016	2015
Assets		
Current Assets		
Cash	\$ 135,979	\$ 233,011
Accounts receivable	177,807	148,738
Other current assets	36,461	27,124
Total Current Assets	350,247	408,873
Property And Equipment	3,476,946	3,579,467
Other Assets		
Weinzweig Trusts	306,493	315,450
Community Foundation	43,702	47,176
Total Other Assets	350,195	362,626
	\$ 4,177,388	\$ 4,350,966
Liabilities And Net Assets		
Current Liabilities		
Current portion of long-term debt	\$ 12,250	\$ 11,596
Accounts payable, accrued expenses and deferred revenue	142,750	98,927
Total Current Liabilities	155,000	110,523
Long-Term Debt	113,664	125,914
Total Liabilities	268,664	236,437
Net Assets		
Unrestricted	3,481,046	3,661,992
Temporarily restricted	391,617	416,476
Permanently restricted	36,061	36,061
Total Net Assets	3,908,724	4,114,529
	\$ 4,177,388	\$ 4,350,966

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	\$ 329,010	\$ 81,524	\$ —	\$ 410,534
Grants	434,780	—	—	434,780
Medicaid waiver	69,323	—	—	69,323
Net assets released from restrictions	97,426	(97,426)	—	—
Total Public Support	930,539	(15,902)	—	914,637
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	1,484,111	(24,859)	—	1,459,252
Expenses				
Program Services				
Senior advocacy/outreach	424,406	—	—	424,406
Leisure/activities	229,818	—	—	229,818
Volunteer	31,555	—	—	31,555
Adult day services	398,273	—	—	398,273
Total Program Services	1,084,052	—	—	1,084,052
Supporting Services				
Management and general	343,399	—	—	343,399
Fundraising	237,606	—	—	237,606
Total Supporting Services	581,005	—	—	581,005
Total Expenses	1,665,057	—	—	1,665,057
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 ACTIVITIES AND CHANGE IN NET ASSETS
For The Year Ended June 30, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Activity All Net Assets
Public Support And Revenue				
Public Support				
Contributions and bequests	\$ 456,645	\$ 58,660	\$ —	\$ 515,305
Grants	348,049	—	—	348,049
Medicaid waiver	84,063	—	—	84,063
Net assets released from restrictions	89,488	(89,488)	—	—
Total Public Support	978,245	(30,828)	—	947,417
Revenue				
Fees	450,471	—	—	450,471
Rent, Café, and gift shop	83,321	—	—	83,321
Investment income	334	3,794	—	4,128
Change in Community Foundation	(2,006)	—	—	(2,006)
Other revenue	2,762	—	—	2,762
Net assets released from restrictions	5,498	(5,498)	—	—
Total Revenue	540,380	(1,704)	—	538,676
Total Public Support And Revenue	1,518,625	(32,532)	—	1,486,093
Expenses				
Program Services				
Senior advocacy/outreach	324,792	—	—	324,792
Leisure/activities	232,843	—	—	232,843
Volunteer	32,335	—	—	32,335
Adult day services	350,814	—	—	350,814
Total Program Services	940,784	—	—	940,784
Supporting Services				
Management and general	344,575	—	—	344,575
Fundraising	203,499	—	—	203,499
Total Supporting Services	548,074	—	—	548,074
Total Expenses	1,488,858	—	—	1,488,858
Change In Net Assets	29,767	(32,532)	—	(2,765)
Net Assets - Beginning Of Year	3,632,225	449,008	36,061	4,117,294
Net Assets - End Of Year	\$ 3,661,992	\$ 416,476	\$ 36,061	\$ 4,114,529

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	1,346	12,692	—	3,970	18,008	5,700	4,794	10,494	28,502
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	—	84,114	84,114	88,811
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	2,877	710	5,115	10,663	2,473	(769)	1,704	12,367
Total Expenses Before Depreciation	401,915	191,939	20,901	350,927	965,682	313,807	237,606	551,413	1,517,095
Depreciation	22,491	37,879	10,654	47,346	118,370	29,592	—	29,592	147,962
Total Expenses	\$ 424,406	\$ 229,818	\$ 31,555	\$ 398,273	\$ 1,084,052	\$ 343,399	\$ 237,606	\$ 581,005	\$ 1,665,057

See the accompanying notes to financial statements

CENTER FOR ACTIVE SENIORS, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For The Year Ended June 30, 2015

	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	\$ 217,737	\$ 100,716	\$ 5,822	\$ 152,964	\$ 477,239	\$ 219,022	\$ 117,747	\$ 336,769	\$ 814,008
Employee benefits	20,888	7,089	592	22,218	50,787	13,192	1,979	15,171	65,958
Payroll taxes	24,291	13,452	1,297	20,887	59,927	15,565	2,335	17,900	77,827
Total Salaries And Related Expenses	262,916	121,257	7,711	196,069	587,953	247,779	122,061	369,840	957,793
Professional fees	—	—	—	—	—	19,976	—	19,976	19,976
Supplies	953	13,710	—	4,045	18,708	4,677	—	4,677	23,385
Telephone and utilities	14,555	14,896	4,189	18,620	52,260	13,065	—	13,065	65,325
Postage	298	501	141	627	1,567	390	—	390	1,957
Printing	2,780	5,195	1,317	6,299	15,591	4,049	607	4,656	20,247
Rent	378	637	179	795	1,989	497	—	497	2,486
Special events	—	5,433	—	—	5,433	—	80,200	80,200	85,633
Local transportation	—	—	—	29,990	29,990	—	—	—	29,990
Conferences	497	726	204	959	2,386	596	—	596	2,982
Insurance	5,658	9,529	2,680	11,912	29,779	7,445	—	7,445	37,224
Travel	2,729	318	82	450	3,579	895	—	895	4,474
Dues and subscriptions	1,237	1,060	299	1,870	4,466	1,116	—	1,116	5,582
Repairs and maintenance	8,688	14,739	4,115	18,290	45,832	11,458	—	11,458	57,290
Interest	1,935	3,259	917	4,074	10,185	2,546	—	2,546	12,731
Bad debt	140	236	66	4,824	5,266	—	—	—	5,266
Meals/snacks	—	—	—	5,615	5,615	—	465	465	6,080
Miscellaneous	—	4,248	—	—	4,248	1,103	166	1,269	5,517
Total Expenses Before Depreciation	302,764	195,744	21,900	304,439	824,847	315,592	203,499	519,091	1,343,938
Depreciation	22,028	37,099	10,435	46,375	115,937	28,983	—	28,983	144,920
Total Expenses	\$ 324,792	\$ 232,843	\$ 32,335	\$ 350,814	\$ 940,784	\$ 344,575	\$ 203,499	\$ 548,074	\$ 1,488,858

CENTER FOR ACTIVE SENIORS, INC.

STATEMENTS OF CASH FLOWS

	For The Years Ended June 30,	
	2016	2015
Cash Flows From Operating Activities		
Change in net assets	\$ (205,805)	\$ (2,765)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	147,962	144,920
Net unrealized (gain) loss on Weinzweig Trusts	3,735	(3,794)
Distributions from Weinzweig Trusts	5,222	5,498
Change in Community Foundation	1,274	2,006
Distributions from Community Foundation	2,200	2,100
Contributions restricted for capital campaign - Café expansion	(48,789)	(5,000)
Changes in assets and liabilities:		
Accounts receivable	(29,069)	(1,600)
Other current assets	(9,337)	1,771
Accounts payable, accrued expenses and deferred revenue	43,823	(28,848)
Net Cash Provided By (Used In) Operating Activities	(88,784)	114,288
Cash Flows From Investing Activities		
Purchase of property and equipment	(45,441)	(12,253)
Cash Flows From Financing Activities		
Proceeds from capital campaign - Café expansion	48,789	5,000
Payments on long-term debt	(11,596)	(10,902)
Net Cash Provided By (Used In) Financing Activities	37,193	(5,902)
Net Increase (Decrease) In Cash	(97,032)	96,133
Cash - Beginning Of Year	233,011	136,878
Cash - End Of Year	\$ 135,979	\$ 233,011

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:

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 and cash equivalents 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 \$16,456 and \$1,456 at June 30, 2016 and 2015, respectively.

Property And Equipment

Land, building and equipment, which were acquired, are valued at cost and those received as a gift are carried at their fair market value at the date of donation. Depreciation of building and equipment is computed by the straight-line method over the following estimated useful lives:

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

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 classifies 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.

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.

CENTER FOR ACTIVE SENIORS, INC.

Notes To Financial Statements (*Continued*)

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.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Certain costs have been allocated between program and management and general classifications on the basis of time records, actual expenses and/or on estimates made by the Center's management.

Income Taxes

The Center is exempt from federal and state income taxes under section 501(c)(3) of the Internal Revenue Code and similar state provisions. The Center has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the code.

CENTER FOR ACTIVE SENIORS, INC.

Notes To Financial Statements (*Continued*)

Management has determined that the Center does not have any uncertain tax positions and associated unrecognized benefits that materially affect the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Center's tax returns will not be challenged by the taxing authorities or that the Center will not be subject to additional tax, penalties and interest as a result of such challenge.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers (Topic 606)* requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. The updated standard will be effective for annual reporting periods beginning after December 15, 2018. The Center has not yet selected a transition method and is currently evaluating the effect that the 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 designations 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 balance sheet 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 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 expenses 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.

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 change in net assets. This standard will be effective for the calendar year ending December 31, 2020. The Center is currently evaluating the effect this updated standard will have on the financial statements.

Subsequent Events

Management has evaluated subsequent events through February 22, 2017, 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,	
	2016	2015
Land and improvements	\$ 378,400	\$ 378,400
Building and improvements	5,140,835	5,112,496
Equipment and vehicles	372,722	364,467
	5,891,957	5,855,363
Less: Accumulated depreciation	(2,415,011)	(2,275,896)
	\$ 3,476,946	\$ 3,579,467

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, 2016 and 2015.

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, 2016 were \$5,222 and are recorded as contributions and bequests 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,	
	2016	2015
Beginning Balance Of Weinzweig Trusts	\$ 315,450	\$ 317,154
Change in value	(3,735)	3,794
Distributions	(5,222)	(5,498)
Ending Balance Of Weinzweig Trusts	\$ 306,493	\$ 315,450

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 an original cost of \$41,229. Of that amount, approximately \$5,168 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 \$36,061 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,	
	2016	2015
Beginning Balance Of Community Foundation	\$ 47,176	\$ 51,282
Grants awarded to CASI from Community Foundation	(2,200)	(2,100)
Fees	(687)	(766)
Change in value	(587)	(1,240)
Ending Balance Of Community Foundation	\$ 43,702	\$ 47,176

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 \$23,596 and \$19,988 for the years ending June 30, 2016 and 2015, 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, Line Of Credit And Subsequent Event

The Center has a 15 year loan with the Illinois Facilities Fund. The note matures on October 1, 2024 and has an interest rate of 5.875%. Principal and interest payments in the amount of \$1,600 were paid monthly through October 2014. In November 2014, the Center refinanced the loan with an interest rate of 5.5% and monthly principal and interest payments of \$1,573. The note is secured by a mortgage, assignment of leases and rents and security agreement and fixture filing. The balance at June 30, 2016 and 2015 was \$125,914 and \$137,510, respectively. Payments on the notes payable are due as follows:

<u>Year</u>	<u>Amount</u>
2017	\$ 12,250
2018	12,941
2019	13,671
2020	14,443
2021	15,257
Thereafter	57,352
	125,914
Less: Current maturities	12,250
	\$ 113,664

Subsequent to year end, the Center refinanced the loan for \$223,000. The re-financed note matures on October 31, 2031 and has an interest rate of 5.38%. 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. Principal and interest payments of \$1,807 are to be paid monthly. The note is still secured by a mortgage, assignment of leases and rents and security agreement and fixture filing.

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, 2016, subsequent to year end and before the date of the report, under the same terms, extending the due date to December 3, 2017. No amounts were drawn on the line of credit agreement as of June 30, 2016.

CENTER FOR ACTIVE SENIORS, INC.

Notes To Financial Statements (Continued)

6. Temporarily Restricted Net Assets

Temporarily restricted net assets consists of:

	<u>June 30,</u>	
	<u>2016</u>	<u>2015</u>
United Way	\$ 52,735	\$ 51,660
Bechtel Trust - new director positions	—	42,366
Capital campaign - Café expansion	32,389	5,000
Jane's place door alarm	—	2,000
Weinzweig Trusts	306,493	315,450
	<u>\$ 391,617</u>	<u>\$ 416,476</u>

7. Net Assets Released From Restrictions

Net assets released from restrictions consist of:

	<u>For The Years Ended June 30,</u>	
	<u>2016</u>	<u>2015</u>
United Way	\$ 51,660	\$ 56,854
Bechtel Trust - new director positions	42,366	32,634
Capital campaign - Café expansion	1,400	—
Jane's place door alarm	2,000	—
Weinzweig Trusts	5,222	5,498
	<u>\$ 102,648</u>	<u>\$ 94,986</u>

8. Permanently Restricted Net Assets

Permanently restricted net assets are held by the Community Foundation and the balance at June 30, 2016 and 2015 was \$36,061.