

SENIOR CITIZENS CENTER OF  
SARATOGA SPRINGS, INC.  
FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION  
YEAR ENDED DECEMBER 31, 2010

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# FREDETTE, SANKOWSKI & COMPANY

Certified Public Accountants

MEMBERS OF  
AMERICAN INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS

THE NEW YORK STATE SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

Brian T. Fredette, CPA  
Walter W. Sankowski, CPA

Richard D. Soellner, CPA  
Laura C. Prouty, CPA  
Jillian M. Woodcock, CPA

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Senior Citizens Center of Saratoga Springs, Inc.  
Saratoga Springs, NY

We have audited the accompanying statement of financial position of the Senior Citizens Center of Saratoga Springs, Inc. (a nonprofit organization) as of December 31, 2010, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Senior Citizens Center of Saratoga Springs, Inc. as of December 31, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Fredette, Sankowski & Company*

Fredette, Sankowski & Company

September 1, 2011

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SENIOR CITIZENS CENTER OF SARATOGA SPRINGS, INC.

STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2010

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ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 49,786	
Accounts receivable	24	
Prepaid expenses	<u>943</u>	
Total current assets		50,753

PROPERTY AND EQUIPMENT

At cost, less accumulated depreciation of \$43,672		<u>56,845</u>
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TOTAL ASSETS \$ 107,598

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 4,076	
Accrued expenses	964	
Deferred revenue	30,458	
Payroll liabilities	<u>2,364</u>	
Total current liabilities		<u>37,862</u>

TOTAL LIABILITIES 37,862

NET ASSETS

Unrestricted	<u>69,736</u>	
Total net assets		<u>69,736</u>

TOTAL LIABILITIES AND  
NET ASSETS \$ 107,598

See accompanying notes and auditors' report.

SENIOR CITIZENS CENTER OF SARATOGA SPRINGS, INC.

STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT AND REVENUES			
Grants and contributions	\$ 161,163	12,559	173,722
Membership Dues	8,125	-	8,125
Program	3,553	-	3,553
Fundraising events, net of direct expenses of \$6,356	5,500	-	5,500
Investment income	2,052	-	2,052
Net assets released from restrictions due to satisfaction of program restrictions	<u>12,559</u>	<u>( 12,559)</u>	<u>-</u>
TOTAL SUPPORT AND REVENUES	<u>192,952</u>	<u>-</u>	<u>192,952</u>
EXPENSES			
Program services	152,179	-	152,179
General and administrative	<u>57,046</u>	<u>-</u>	<u>57,046</u>
TOTAL EXPENSES	<u>209,225</u>	<u>-</u>	<u>209,225</u>
CHANGE IN NET ASSETS	( 16,273)	-	( 16,273)
ADJUSTMENT FROM CASH TO ACCRUAL BASIS	( 8,450)	-	( 8,450)
NET ASSETS AT BEGINNING OF YEAR	<u>94,459</u>	<u>-</u>	<u>94,459</u>
NET ASSETS AT END OF YEAR	<u>\$ 69,736</u>	<u>-</u>	<u>69,736</u>

SENIOR CITIZENS CENTER OF SARATOGA SPRINGS, INC.

STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2010

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	<u>Program</u>	<u>General and Administrative</u>	<u>Total</u>
Occupancy	\$ 89,786	9,976	99,762
Salaries - Director	18,828	18,829	37,657
Salaries - Other	10,925	14,068	24,993
Depreciation	8,842	786	9,628
Instructors	8,342	-	8,342
Supplies	5,122	3,162	8,284
Payroll taxes	2,621	2,898	5,519
Insurance	768	1,895	2,663
Telephone	1,102	1,219	2,321
Maintenance and repairs	1,979	220	2,199
Travel	2,145	-	2,145
Postage	766	847	1,613
Professional fees	-	1,575	1,575
Dues & Subscriptions	577	638	1,215
Office expense	341	378	719
Bank and credit card fees	<u>35</u>	<u>555</u>	<u>590</u>
 TOTAL EXPENSES	 <u>\$ 152,179</u>	 <u>57,046</u>	 <u>209,225</u>

See accompanying notes and auditors' report.

SENIOR CITIZENS CENTER OF SARATOGA SPRINGS, INC.

STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2010

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	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	(\$ 16,273)
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation	9,628
(Increase) decrease in assets	
Accounts receivable	2,138
Prepaid expenses	( 115)
Payroll receivable	92
Increase (decrease) in liabilities	
Accounts payable	( 5,282)
Accrued expenses	( 8)
Payroll liabilities	428
Deferred Revenue	<u>29,348</u>
Net cash provided by operating activities	<u>19,956</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of property and equipment	<u>( 11,220)</u>
Net cash (used) by investing activities	<u>( 11,220)</u>
NET INCREASE IN CASH	8,736
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>41,050</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 49,786</u>

See accompanying notes and auditors' report

SENIOR CITIZENS CENTER OF SARATOGA SPRINGS, INC.

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2010

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Senior Citizens Center of Saratoga Springs, Inc. (SCCOSS) have been prepared on the accrual basis. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Organization and Nature of Activities - The Senior Citizens Center of Saratoga Springs, Inc. is a non-profit organization under the laws of the State of New York. It was formed in 1955 to promote the best interests for the senior citizens of the city of Saratoga Springs, New York and the county of Saratoga in the state of New York. The organization empowers Seniors to achieve and maintain personal independence and individual well-being by providing the program structure and support services necessary for healthy recreation, companionship, social involvement, and problem solving.

The Senior Citizens Center of Saratoga Springs, Inc. has been granted exemption from Federal Income Taxation pursuant to Section 501(c)(3) of the Internal Revenue Code.

Location - The Senior Citizens Center of Saratoga Springs is located in Saratoga Springs, New York.

Support and Revenues - Unrestricted net assets represent assets without externally imposed donor or grantor restrictions. The resources are available for support of the organization's operations and include assets designated by the Board for specific purposes.

Temporarily restricted net assets represent assets with externally imposed restrictions as to what the monies must be utilized for.

Grants and contributions of cash are reported as temporarily restricted support if they are received with grantor or donor stipulations that limit their use. When a stipulation 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.



SENIOR CITIZENS CENTER OF SARATOGA SPRINGS, INC.

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2010

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents - The Organization includes as cash equivalents all short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates.

Accounts Receivable - The Senior Citizens Center of Saratoga Springs uses the direct write off method for valuing accounts receivable. This reduces the current balance of accounts receivable by the actual bad debts for the period.

Property, Equipment and Depreciation - Depreciation of property and equipment is provided over the estimated useful lives of the respective assets using the straight-line method. The estimated useful lives of property and equipment for purposes of calculating depreciation are 5-7 years. Major improvements and additions are capitalized at historical cost. Repairs and maintenance are charged against operations as incurred.

Functional Allocation of Expenses - The cost of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among program and general and administrative expenses.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that can affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fair Value of Financial Instruments - As required by the FASB Accounting Standards Codification the organization discloses the fair value of certain financial instruments including cash and debt. The estimated fair value amounts have been determined by the organization using available market information and appropriate valuation methodologies. The carrying values of these financial instruments approximate their fair value.

Advertising - Advertising costs are expensed as they are incurred.

SENIOR CITIZENS CENTER OF SARATOGA SPRINGS, INC.

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2010

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NOTE 2: ACCOUNTING CHANGES

Effective January 1, 2010, the organization changed its method of accounting from the cash to the accrual method and, as of that date, recognizes revenue when earned rather than when cash is received and recognizes expenses when they are incurred rather than when cash is disbursed. The effect of the change at January 1, 2010, in the amount of \$8,450 has been recorded in the accompanying financial statements as an adjustment to the fund balance.

NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

Computer equipment	\$ 5,398
Office furniture and equipment	79,907
Leasehold improvements	6,352
Vehicle	<u>8,860</u>
	100,517
Less: accumulated depreciation	<u>( 43,672)</u>
	<u>\$ 56,845</u>

NOTE 4: TEMPORARILY RESTRICTED NET ASSETS

Net assets were released from donor restrictions by incurring expenses satisfying the purpose restrictions specified by contractors or grantors as follows:

Saratoga County Arts Council	\$ 2,272
Alfred Z. Solomon Charitable Trust	358
Office for the Aging	<u>9,929</u>
Total restrictions released	<u>\$ 12,559</u>

NOTE 5: SIGNIFICANT CONCENTRATION OF RISK

Grants and contracts - A material part of the Organization's revenue consists of a contract with the City of Saratoga Springs to promote the best interests for the senior citizens of the city of Saratoga Springs, New York. For the year ended December 31, 2010, the City of Saratoga Springs contract comprised approximately 69% of total support and revenues.

NOTE 6: OPERATING LEASE

Lease - The Organization has a six year lease agreement with the City of Saratoga Springs through December 31, 2014. Under the lease, the Organization is responsible for annual rent of \$1, including utilities.

SENIOR CITIZENS CENTER OF SARATOGA SPRINGS, INC.

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2010

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NOTE 7: SUBSEQUENT EVENT

Management has evaluated subsequent events through September 1, 2011, the date the financial statements were available to be issued.

NOTE 8: CONTRIBUTED MATERIALS, FACILITIES, AND SERVICES

Donated materials and facilities are reflected as contributions in the accompanying statements at their estimated values on the date of receipt.

During the year ended December 31, 2010, the value of contributed facility meeting the requirements for recognition in the financial statements was \$70,000. (See Note 6)

The organization receives various donated services from unpaid volunteers who assist in special projects. No amounts have been recognized in the Statement of Activities because the criteria for recognition have not been satisfied.