CONEJO VALLEY SENIOR CONCERNS, INC.

(A Non-Profit Corporation)

FINANCIAL STATEMENTS

June 30, 2015 and 2014

CONEJO VALLEY SENIOR CONCERNS, INC.

(A Non-Profit Corporation)

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Certified Public Accountants

Member
Calif. Society of Certified Public Accountants

Independent Auditors' Report

To the Board of Directors of
Conejo Valley Senior Concerns, Inc.
(A Non-Profit Corporation)
Thousand Oaks, California

Report on the Financial Statements

We have audited the accompanying financial statements of Conejo Valley Senior Concerns, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, functional expenses and cash flows for the year 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.

Auditor's Responsibility

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 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 judgement, 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.

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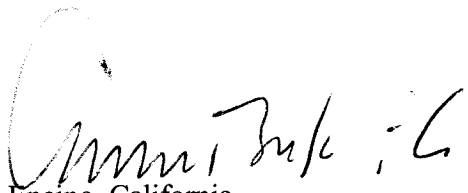
Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Conejo Valley Senior Concerns, Inc. as of June 30, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the 2014 financial statements of Conejo Valley Senior Concerns, Inc., and our report dated September 30, 2014 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Encino, California
November 12, 2015

CONEJO VALLEY SENIOR CONCERNS, INC.

(A Non-Profit Corporation)

STATEMENT OF FINANCIAL POSITION

June 30, 2015 and 2014

	2015	2014
Assets:		
Current assets		
Cash and cash equivalents	**$ 100,026**	$ 230,140
Investments	**335,451**	243,288
Accounts receivable, net of allowance for doubtful accounts	**120,444**	98,405
Prepaid expenses	**4,341**	-
Total current assets	**560,262**	571,833
Property and equipment, net of accumulated depreciation	**1,677,938**	1,741,775
Other assets		
Long term investments	**174,953**	180,826
Total Assets	**$ 2,413,153**	$ 2,494,434
Liabilities and Net Assets:		
Current Liabilities		
Accounts payable and accrued expenses	**$ 53,215**	$ 52,293
Accrued payroll related expenses	**22,843**	67,982
Total current liabilities	**76,058**	120,275
Net Assets		
Unrestricted net assets	**2,239,981**	2,247,045
Temporarily restricted net assets	**97,114**	127,114
Total net assets	**2,337,095**	2,374,159
Total Liabilities and Net Assets	**$ 2,413,153**	$ 2,494,434

See Accompanying Independent Auditor's Report and Notes to the Financial Statements

CONEJO VALLEY SENIOR CONCERNS, INC.

(A Non-Profit Corporation)

STATEMENT OF ACTIVITIES

For the Years Ended June 30, 2015 and 2014
(Summarized Totals for 2014)

	Unrestricted	Temporarily Restricted	2015	2014
Operating Support and Revenue				
Public support	**$ 239,784**	**$ -**	**$ 239,784**	$ 342,951
Grants	**280,156**	**-**	**280,156**	190,500
Program fees	**971,482**	**-**	**971,482**	954,749
Thrift shop, net of $81,114 expenses	**123,484**	**-**	**123,484**	133,662
Special events revenue, net of $147,913 expenses	**159,758**	**-**	**159,758**	194,313
Interest and dividends	**8,531**	**-**	**8,531**	9,353
Unrealized gain/loss on investments	**(4,512)**	**-**	**(4,512)**	42,350
Total support and revenue	**1,778,683**	**-**	**1,778,683**	1,867,878
Assets Released from Restrictions	**30,000**	**(30,000)**	**-**	-
Total Support and Revenue	**1,808,683**	**(30,000)**	**1,778,683**	1,867,878
Expenses:				
Program services	**1,404,369**	**-**	**1,404,369**	1,487,176
General and administrative	**293,624**	**-**	**293,624**	192,642
Fundraising	**117,754**	**-**	**117,754**	105,257
Total expenses	**1,815,747**	**-**	**1,815,747**	1,785,075
Change in net assets	**(7,064)**	**(30,000)**	**(37,064)**	82,803
Net assets, beginning of year	**2,247,045**	**127,114**	**2,374,159**	2,291,356
Net assets, end of year	**$ 2,239,981**	**$ 97,114**	**$ 2,337,095**	$ 2,374,159

See Accompanying Independent Auditor's Report and Notes to the Financial Statements

CONEJO VALLEY SENIOR CONCERNS, INC.

(A Non-Profit Corporation)

STATEMENT OF FUNCTIONAL EXPENSE

For the Years Ended June 30, 2015 and 2014
(Summarized Totals for 2014)

	Total Program Services	Management and General	Fundraising	2015	2014
Personnel Costs	$ 736,605	$ 113,223	$ 71,564	$ 921,392	$ 992,014
Employee-Related Costs	122,415	42,410	14,674	179,499	166,958
Total personnel related costs	859,020	155,633	86,238	1,100,891	1,158,972
Program Service Scholarships	147,740	-	-	147,740	129,364
Program Expenses	128,313	-	-	128,313	131,791
Office Supply	6,581	3,306	332	10,219	12,989
Operating Expense	32,744	13,994	5,657	52,395	45,597
Occupancy Expense	117,797	21,936	6,483	146,216	120,258
Outside Services Expense	30,165	83,451	4,962	118,578	78,580
Meeting & Conference Expense	8,214	3,262	734	12,210	6,435
Advertising/Marketing	18,991	1,179	10,067	30,237	30,581
Fundraising Expense	1,050	989	255	2,294	2,564
Depreciation Expense	53,754	9,874	3,026	66,654	67,944
Total non-personnel related costs	545,349	137,991	31,516	714,856	626,103
Total Functional Expenses	$ 1,404,369	$ 293,624	$ 117,754	$ 1,815,747	$ 1,785,075

The fund raising cost of raising $1 of donations is 23 cents.

See Accompanying Independent Auditor's Report and Notes to the Financial Statements

CONEJO VALLEY SENIOR CONCERNS, INC.

(A Non-Profit Corporation)

STATEMENT OF CASH FLOWS

For the Years Ended June 30, 2015 and 2014

	2015	2014
Cash flows from operating activities:		
Change in net assets	**$ (37,064)**	$ 82,803
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization expense	**66,654**	67,944
Interest and dividends	**(8,531)**	-
Unrealized gain on investments	**(4,512)**	(42,350)
Change in assets and liabilities:		
Accounts receivable	**(22,039)**	(18,173)
Grants receivable	**-**	5,730
Prepaid expenses	**(4,341)**	33,396
Accounts payable and accrued expenses	**922**	10,355
Accrued payroll and related expenses	**(45,139)**	(5,120)
Deferred revenue	**-**	(7,150)
Net cash provided by/(used in) operating activities	**(54,050)**	127,435
Cash flow from investing activities:		
Purchase of equity investments	**(103,247)**	-
Sale of equity investments	**30,000**	8,568
Purchase of equipment	**(2,817)**	(16,437)
Net cash provided by investing activities	**(76,064)**	(7,869)
Change in cash and cash equivalents	**(130,114)**	119,566
Cash and cash equivalents at beginning of year	**230,140**	110,574
Cash and cash equivalents at end of year	**$ 100,026**	$ 230,140
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	**$ -**	$ -
Cash paid during the year for income taxes	**$ -**	$ -

See Accompanying Independent Auditor's Report and Notes to the Financial Statements

Note 1 - Nature of Activities and Significant Accounting Policies

A – Nature of Activities

Conejo Valley Senior Concerns, Inc. (the Organization) was incorporated December 26, 1975, in the state of California as a voluntary health and welfare nonprofit organization dedicated to serving the senior community, especially frail and special need seniors and their family caregivers. Senior Concerns provides services in eastern Ventura County and western Los Angeles County, in an area that encompasses Thousand Oaks, Simi Valley, Moorpark, Oak Park, Westlake Village, Agoura Hills and Calabasas. The mission of Senior Concerns is to provide programs and services for seniors and their family caregivers which support and improve their quality of life.

Senior Concerns provides the following programs:

The **Adult Day Program** provides a friendly, supportive environment that encourages well-being, socialization and the highest level of functioning for those with Alzheimer's, Parkinson's disease, stroke, frailty, and other debilitating conditions. Our participants cannot remain at home alone because of safety issues and social isolation. It is the only Adult Day Program in eastern Ventura County, California. The Adult Day Program also addresses the vital need of providing respite (time away) for family caregivers. Respite is vital to the health and well-being of the caregiver, and also impacts the health and well-being of the senior. Respite time enables family caregivers to work and take care of personal needs such as doctor's visits.

Meals On Wheels Program volunteers break the social isolation of homebound seniors and, through their visits, are able keep an eye on our clients' safety in the home as they deliver two nutritious, freshly prepared meals each day, seven days a week, 364 days a year in the communities of Thousand Oaks and Newbury Park, California.

Note 1 - Nature of Activities and Significant Accounting Policies (cont.)

A – Nature of Activities (cont.)

Senior Concerns' **Caregiver Support Center** provides information, resources, and evidenced-based, effective case management support to family caregivers throughout eastern Ventura County, California. The Center was launched on July 1, 2015 and builds, upon case management services we have been providing family caregivers for several years. The centerpiece of the new Caregiver Support Center is the Mobile Caregiver Support Center, which travels to employers, faith communities, health centers, mobile home parks, active senior centers, and other locations where family caregivers are at. As far as we know, there are no other mobile caregiver support programs in this country. Our aim with the Mobile Caregiver Support Center is to reach the legions of family caregivers who don't have the time or the ability to come to a brick and mortar center, but who desperately need support and assistance.

A complexity of issues face older adults and the caregivers of older adults and has created a critical need for **Senior and Caregiver Advocacy Services**, including:

1) **Geriatric Care Management (Case Management)** – Care Coordinators create a care plan for families focusing on the areas of community services, legal, health and financial needs. We also offer counseling at two low-income senior housing developments. Over 60+% of those we serve are low income. Begun in 2007, Senior Concern's Care Coordinators offer families individualized geriatric care/case management on a donation basis only. (In contrast to our geriatric care services, private, for-profit care managers charge $75 to $150 per hour for similar services.)

2) **Senior Advocacy** - In 1982, our Advocates began to offer information, referrals, and personal advocacy to seniors and their families. Our team provides hands on help, acting as advocates and connecting seniors and their family caregivers to services they need. Areas of expertise include healthcare, adult protective services, and government programs like Medicare/MediCal/Social Security. Advocates act as an important link between the senior (who may get lost in the system) and various government and private services. They know just where to go and what to do to get results. There is no charge for this service.

3) **Support Groups** – Senior Concerns hosts support groups twice per month to help caregivers discuss and resolve the problems and challenges they face.

Note 1 - Nature of Activities and Significant Accounting Policies (cont.)

A – Nature of Activities (cont.)

4) **Community Education and Support** – Our goal is to educate caregivers, service providers and the general community on a variety of topics aimed at improving the lives of family caregivers and those they are caring for. There is no charge for this service.

Pro Bono Legal and Financial Service for Seniors and Caregivers is a is a partnership between the Ventura County Court system and local volunteer attorneys, as well as the Financial Planning Association and local Certified Financial Planners, who provide pro bono services to seniors and caregivers in the community who could not otherwise afford such services.

Senior Concerns' **Bargain Boutique and Thrift Shop** sells donated items for an additional source of income and is run by volunteers, with two paid employees.

B – Summary of Significant Accounting Policies

Use of Estimates - The preparation of the Organization's financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from these estimates.

Significant estimates used to prepare these financial statements include allocation of indirect expenses to programs, management and general, and fund-raising, and depreciation lives.

Comparative Information - The financial statements include certain summarized comparative information from the prior year. This information is presented in total and not by net asset class and does not include sufficient detail to be in conformity with generally accepted accounting principles. Such information should be read together with the Organization's financial statements for the year ended June 30, 2014, from which the summarized information was extracted.

Note 1 - Nature of Activities and Significant Accounting Policies (cont.)

B – Summary of Significant Accounting Policies (cont.)

Cash and Cash Equivalents - For purposes of the statements of cash flow, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash and cash equivalents. The carrying value of cash and cash equivalents at June 30, 2015 approximates its fair value.

The Organization maintains its cash and cash equivalents in bank deposit accounts and other investment accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Income Tax Status - The Organization has received favorable determination letters from the Internal Revenue Service and the Franchise Tax Board that the organization is exempt from Federal and state income tax under Internal Revenue Code Section 501(c)(3) and applicable state statutes. Since the Organization is exempt from federal and state income tax liability, no provision is made for current or deferred income tax expense.

The Organization files income tax returns to the Federal government and in the state of California. With few exceptions, the Organization's Federal and state income tax returns remain subject to examination for all tax years ended on or after June 30, 2012 with regard to all tax positions and the results reported.

Accounting for Contributions - Generally accepted accounting principles require that the Organization reports information about its financial position and activities in three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. Unrestricted contributions are recognized as an increase in unrestricted net assets when received. Donor restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the donor-imposed restriction. When restrictions are satisfied, either by the passage of time or by accomplishing the purpose, the temporarily restricted net assets are reclassified to unrestricted net assets and reported in the activities statement as net assets released from restrictions. When restrictions are satisfied in the same accounting period that the contribution is received, both the revenue and the related expense are reported in the unrestricted net asset class.

Note 1 - Nature of Activities and Significant Accounting Policies (cont.)

B – Summary of Significant Accounting Policies (cont.)

Accounts Receivable - Customer accounts receivable are recorded net of scholarships awarded based on a sliding scale allowance that is established on the customers' anticipated ability to pay. The related program fee revenue is recorded at the full value of the service provided to the customer. Scholarships are recorded as a program expense.

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Organization provides for losses on accounts receivable using the allowance method. The allowance is based on experience and other circumstances, which may affect the ability of clients to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. Charge offs are recorded on the statement of activities to scholarship expense.

Property and Equipment - Property and equipment are stated at cost or donated value and are depreciated by the straight-line method over the estimated useful lives of the assets, which are generally three to five years for software, equipment and vehicles and seven to ten years for furniture and leasehold improvements and forty years for the building. The Organization's policy is to capitalize asset purchases over $1,000 and recognize a full year's depreciation in the year of acquisition.

Compensated Absences Liability - Employees accrue vacation leave each month at rates equal to two to three weeks per year depending on the number of years of service completed. Employees working less than forty hours per week receive a pro rata accrual. Vacation leave is fully vested after six months of employment and any unused leave will be paid to employees upon termination of employment.

Functional Allocation of Expenses - The costs of providing the Organization's programs have been presented in the statement of functional expense. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and supporting services by the method that best measures the relative degree of benefit. The Organization uses direct salary expenses to allocate their indirect and shared costs.

Volunteers - Donated volunteer services are not reflected in the accompanying financial statements. However, in the year ended June 30, 2015, approximately 486 volunteers donated an estimated 10,530 hours of service valued at $25 per hour for a total of $263,250.

Note 1 - Nature of Activities and Significant Accounting Policies (cont.)

B – Summary of Significant Accounting Policies (cont.)

Subsequent Events - The Organization's management has evaluated subsequent events from the balance sheet date of June 30, 2015, through November 12, 2015, the date the financial statements were available to be issued.

Note 2 - Investments

Investments measured and reported at fair value are classified as disclosed in one of the following categories:

- Level 1 - Quoted prices are available in active markets for identical investments as of the reporting date, without adjustment
- Level 2 - Pricing inputs, including broker quotes, are generally those other than exchange quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.
- Level 3 - Pricing inputs are unobservable for the investment and includes situations where there is little, if any, market activity for the investment.

The following table summarized the valuation of the Organization's investments under the ASC 820 fair value hierarchy levels as of June 30, 2015.

	Fair Value Measurements		
	Level 1	Level 2	Level 3
Marketable equity securities	$335,451	$ –	$ –
Nonmarketable mutual fund securities	–	–	174,953
Total investments at June 30, 2015	$335,451	$ –	$174,953

The fair value of Level 3 assets was based on the net asset value of the underlying funds which are valued based on external price and spread data.

Note 2 - Investments (cont.)

The following table sets for a summary of changes in the fair value of the Organization's Level 3 assets for the year ended June 30, 2015:

Balance, beginning of the year	$180,826
Net realized and unrealized returns	4,914
Distributions to Organization	(8,243)
Investment fees	(2,544)
Balance, end of the year	$174,953

Investment returns for Level 1 investments consist of the following–dividends and interest $288, net of fees.

Note 3 - Property and Equipment

At June 30, 2015 and 2014, property and equipment consists of the following:

	2015	2014
Land	$ 200,000	$ 200,000
Building	2,316,644	2,316,644
Furniture and equipment	413,374	410,558
Vehicles	68,777	68,777
	2,998,795	2,995,979
Less accumulated depreciation	(1,320,857)	(1,254,204)
	$ 1,677,938	$ 1,741,775

Note 3 - Property and Equipment (cont.)

In August 1992, the Organization moved into the current Senior Day Support Facility. The building was constructed specifically for the Organization and the labor and materials were donated by a development company. The land was purchased with Federal Community Development Block Grant funds, which were passed through from the City of Thousand Oaks. The grant specifies that the land and building must be used for a Senior Day Support Facility. If the Organization fails to comply with this requirement, the land and building revert to the City of Thousand Oaks.

Note 4 - Tax Deferred Annuity Plan

The Organization offers to all employees the option to participate in a voluntary savings program whereby up to 20% of a participant's gross pre-tax earnings is invested with Mutual of America Life Insurance Company. This plan is subject to Section 403(b) of the Internal Revenue Code. Any interest and investment earnings are accumulated on a tax-deferred basis until withdrawn or paid as benefits.

Mutual of America Life Insurance Company, underwriter of the Plan, issues the contracts, maintains the individual contribution accounts, offers the interest and investment options, and pays the benefits provided by the contract. The Organization provided matching contributions of 3%. The total contribution for the years ended June 30, 2015 and 2014 was $9,737 and $11,877 respectively.

Note 5 - Net Assets

Unrestricted net assets include $180,826 in funds that were designed by the board shortly after Senior Concerns' founding in 1975 for maintenance and capital improvements, and to help ensure the Organization's sustain-ability for years to come. These board designated funds are held in the Organization's investment account at the Ventura County Community Foundation. Under the terms of the investment contract, Senior Concerns cannot withdraw these funds, and is entitled to distributions from earnings from time to time at the sole discretion of the Ventura County Community Foundation.

Note 5 - Net Assets (cont.)

Temporarily restricted net assets as of June 30, 2015 and June 30, 2014, consists of the following:

	2015	2014
Capital Improvements	$ 97,114	$ 127,114
	$ 97,114	$ 127,114

Note 6 - Commitments

The Organization utilizes space in the Human Services Center for the Thrift Store, which is leased on a month to month basis, subject to sixty days notice of termination. The space is provided on a rent-free basis, although the Organization pays utilities on a pro-rata share at the monthly rate of $439, plus property taxes of $3,692 per year. During the fiscal year, the Organization has recorded rental income and a corresponding rent expense for this contributed space, based on the fair market value of comparable rental space of $48,000.