

FRIENDS OF CANBY ADULT CENTER, INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

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To the Board of Directors of
Friends of Canby Adult Center, Inc.
Canby, Oregon

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of Friends of Canby Adult Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, 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 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 Friends of Canby Adult Center, Inc. as of June 30, 2019, 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 of Summarized Comparative Information

We have previously audited Friends of Canby Adult Center, Inc.'s June 30, 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 12, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Wilcox Arredondo & Co.

Certified Public Accountants
October 30, 2019

FRIENDS OF CANBY ADULT CENTER, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2019 with Comparative
Totals for 2018

ASSETS		
	2019	2018
Cash	\$ 319,084	\$ 308,122
Accounts receivable	18,405	11,336
Inventory	10,548	10,451
Investments	6,995,019	6,687,496
Property and equipment, net	31,224	35,277
Investments restricted for endowment	50,550	50,550
Total Assets	<u>\$ 7,424,830</u>	<u>\$ 7,103,232</u>
LIABILITIES		
Accounts payable	\$ 17,764	\$ 22,974
Accrued payroll and related taxes	16,610	14,148
Accrued vacation payable	16,222	18,756
Total Liabilities	<u>50,596</u>	<u>55,878</u>
NET ASSETS		
Net Assets without donor restrictions:		
Undesignated	1,209,999	1,043,707
Designated by the board for endowment purposes	6,112,210	5,951,519
Total Net Assets without donor restrictions	7,322,209	6,995,226
Net Assets with donor restrictions, Note 6		
Donor imposed purpose restrictions	1,475	1,578
Donor-restricted endowments	50,550	50,550
Total Net Assets with donor restrictions	52,025	52,128
Total Net Assets	<u>7,374,234</u>	<u>7,047,354</u>
Total Liabilities and Net Assets	<u>\$ 7,424,830</u>	<u>\$ 7,103,232</u>

See notes to basic financial statements.

FRIENDS OF CANBY ADULT CENTER, INC.
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2019 with Comparative
Totals for 2018

	Without Donor Restrictions	With Donor Restrictions	2019 Total	2018 Comparative Totals
Revenue, Gains, and Other Support				
Public support				
Contributions and gifts	\$ 159,462	\$ 5,083	\$ 164,545	\$ 169,079
Meal donations	56,469	-	56,469	56,734
Total Public Support	215,931	5,083	221,014	225,813
Fees and grants from				
Governmental agencies	264,682	-	264,682	193,496
Other revenue				
Program service fees	17,149	-	17,149	15,683
Investment income	146,703	-	146,703	142,166
Miscellaneous	18,330	-	18,330	6,932
Net realized gains (losses)				
from disposal of property and equip.	(425)	-	(425)	-
from investments	93,898	-	93,898	237,349
Unrealized gains (losses)				
from investments	391,700	-	391,700	164,562
Total Other Revenue	667,355	-	667,355	566,692
Net assets released from restrictions				
Satisfaction of program expenses	5,186	(5,186)	-	-
Total Revenue, Gains, and Other Support	1,153,154	(103)	1,153,051	986,001
Expenses				
Program services	619,866	-	619,866	598,881
Supporting services				
Management and general	145,680	-	145,680	164,175
Fundraising	60,625	-	60,625	53,565
Total Expenses	826,171	-	826,171	816,621
Change in Net Assets	326,983	(103)	326,880	169,380
Net Assets, beginning of year	6,995,226	52,128	7,047,354	6,877,974
Net Assets, end of year	\$ 7,322,209	\$ 52,025	\$ 7,374,234	\$ 7,047,354

See notes to basic financial statements.

FRIENDS OF CANBY ADULT CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2019 with
Comparative Totals for 2018

		Supporting Services		Total		
	Program Services	Management and General	Fundraising	Supporting Services	2019 Total	2018 Total
Administration						
Bank service charges	\$ 32	\$ 10	\$ 3	\$ 13	\$ 45	\$ 31
Investment management fees	37,260	11,545	3,673	15,218	52,478	52,020
Board expense	114	35	12	47	161	132
Computer expense	5,317	1,648	524	2,172	7,489	1,398
Copy machine services	4,959	1,537	489	2,026	6,985	6,851
Directors expense	272	84	27	111	383	627
Subscriptions	282	87	28	115	397	320
Finance charges	61	19	7	26	87	159
Insurance	12,753	3,952	1,257	5,209	17,962	16,584
Legal & professional	8,911	2,761	878	3,639	12,550	12,066
Miscellaneous	207	65	20	85	292	728
Office supplies	2,471	765	244	1,009	3,480	4,180
Postage	1,729	535	170	705	2,434	2,815
Taxes/licenses/fees	797	247	78	325	1,122	1,275
Telephone	3,604	1,116	355	1,471	5,075	5,096
Depreciation	8,606	2,667	848	3,515	12,121	12,063
Total Administration	87,375	27,073	8,613	35,686	123,061	116,345
Building						
Rent	45,624	14,137	4,499	18,636	64,260	64,260
Janitorial - contracted services	367	114	36	150	517	517
Janitorial - supplies	4,852	1,503	479	1,982	6,834	6,448
Repairs & maintenance - bldg	3,460	1,072	341	1,413	4,873	1,450
Repairs & maintenance - kitchen	3,483	1,079	343	1,422	4,905	3,416
Replacements/furnishings	2,209	684	218	902	3,111	19,472
Security and fire alarms	1,038	323	102	425	1,463	1,468
Small tools, equipment under \$500	350	108	35	143	493	-
Utilities	8,322	2,579	820	3,399	11,721	12,080
Total Building	69,705	21,599	6,873	28,472	98,177	109,111
Designated Funds						
Designated kitchen equipment	-	-	-	-	-	200
Designated trips pass thru	5,186	-	-	-	5,186	476
Total Designated Funds	5,186	-	-	-	5,186	676

See notes to basic financial statements.

FRIENDS OF CANBY ADULT CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2019 with
Comparative Totals for 2018

		Supporting Services		Total			
	Program Services	Management and General	Fundraising	Supporting Services	2019 Total	2018 Total	
Fundraising							
Advertising/marketing	\$ -	\$ -	\$ 1,452	\$ 1,452	\$ 1,452	\$ 1,274	
Bingo - DOJ/paper	-	-	1,039	1,039	1,039	469	
Bingo - non-paper/raffle	-	-	596	596	596	851	
Bingo food	-	-	666	666	666	1,173	
Building monitor	-	-	1,968	1,968	1,968	2,536	
Catering	-	-	837	837	837	850	
Annual appeal	-	-	1,696	1,696	1,696	1,577	
Share a meal	-	-	2,473	2,473	2,473	2,383	
Events - holiday bazaar	-	-	380	380	380	382	
Events - spring bazaar	-	-	-	-	-	9	
Misc fundraising expense	-	-	1,120	1,120	1,120	500	
Payroll - fundraising	-	-	1,860	1,860	1,860	1,920	
Rental expense	-	-	-	-	-	93	
Soft drink machine	-	-	188	188	188	329	
Total Fundraising Expenses	-	-	14,275	14,275	14,275	14,346	
Programs							
Classes	6,031	-	-	-	6,031	2,683	
Client services-expense	227	-	-	-	227	229	
Decorations/parties	928	-	-	-	928	1,763	
Food purchase	91,351	-	-	-	91,351	90,101	
Misc. center programs	319	-	-	-	319	117	
Entertainment	671	-	-	-	671	431	
Mileage	38	-	-	-	38	48	
Non-consumable supplies	6,410	-	-	-	6,410	3,944	
Non consumables - MOW	9,720	-	-	-	9,720	12,634	
Share/warmth payroll	494	-	-	-	494	698	
T.R.P.& SR CIT council expense	471	-	-	-	471	807	
Training	10	-	-	-	10	79	
Trip expense	2,778	-	-	-	2,778	2,210	
Bus transport	6,208	-	-	-	6,208	4,783	
Van transport	1,241	-	-	-	1,241	1,107	
Non-cash donations	16,038	-	-	-	16,038	23,810	
Volunteer appreciation	1,593	-	-	-	1,593	1,738	
Total Programs	144,528	-	-	-	144,528	147,182	
Staffing/Payroll							
Staff appreciation	3,159	979	311	1,290	4,449	4,964	
Hiring staff	160	49	15	64	224	305	
Training staff	554	172	54	226	780	844	
Workers compensation (SAIF)	1,533	475	151	626	2,159	2,307	
Payroll service	899	278	89	367	1,266	1,101	
Payroll wages & salaries	275,543	85,380	27,166	112,546	388,089	374,192	
Health insurance	8,520	2,640	840	3,480	12,000	12,000	
Payroll tax expense	22,704	7,035	2,238	9,273	31,977	33,248	
Total Staffing/Payroll	313,072	97,008	30,864	127,872	440,944	428,961	
Total Functional Expenses	\$ 619,866	\$ 145,680	\$ 60,625	\$ 206,305	\$ 826,171	\$ 816,621	

See notes to basic financial statements.

FRIENDS OF CANBY ADULT CENTER, INC.
STATEMENT OF CASH FLOWS
Year Ended June 30, 2019 with
Comparative Totals for 2018

	<u>2019</u>	<u>2018</u>
Reconciliation of Change in Net Assets to Net Cash Provided by Operating Activities		
Change in Net Assets	<u>\$ 326,880</u>	<u>\$ 169,380</u>
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation and amortization	12,121	12,064
Realized (gain) loss on sale of investments	(93,898)	(237,349)
Donated equipment included in contribution revenue	-	(1,500)
Unrealized (gain)/loss on investments	(391,700)	(164,562)
(Increase)/decrease in accounts receivable	(7,069)	2,401
(Increase)/decrease in inventory	(97)	25
Increase/(decrease) in accounts payable	(5,210)	4,847
Increase/(decrease) in accrued payroll and related taxes	2,462	1,392
Increase/(decrease) in vacation payable	(2,534)	(2,519)
Total Adjustments	<u>(485,925)</u>	<u>(385,201)</u>
Net Cash Provided (Used) by Operating Activities	<u>(159,045)</u>	<u>(215,821)</u>
Cash Flows from Investing Activities		
Acquisition of equipment	(10,648)	(2,657)
Purchase of investment securities	(1,933,592)	(2,216,547)
Proceeds from sale of securities	<u>2,114,247</u>	<u>2,462,488</u>
Net Cash Provided (Used) by Investing Activities	<u>170,007</u>	<u>243,284</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	10,962	27,463
Cash and Cash Equivalents		
Beginning of year	<u>308,122</u>	<u>280,659</u>
End of year	<u><u>\$ 319,084</u></u>	<u><u>\$ 308,122</u></u>

See notes to basic financial statements.

FRIENDS OF CANBY ADULT CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2019

Note 1. The Organization and Summary of Significant Accounting Policies

Friends of Canby Adult Center, Inc. is a not-for-profit corporation organized in the State of Oregon in 1987. The Friends of Canby Adult Center, Inc.'s mission is to help senior citizens live independently and with dignity as long as possible, creating opportunities for them to thrive amongst their peers, make realistic choices, and enjoy enriching experiences.

The following is a summary of significant accounting policies of the Organization:

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP) and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Net Assets and all balances and transactions are presented based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets not subject to donor-imposed stipulations.

Net assets with donor restrictions – Net assets that are subject to donor-imposed restrictions, but the Organization is permitted to use the income.

Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

FRIENDS OF CANBY ADULT CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2019

Note 1. The Organization and Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

The Organization considers all short-term investments with original maturities of three months or less to be cash equivalents for reporting purposes.

Inventory

Inventories consist of food and serving supplies and are recorded at the lower of cost (first-in, first-out), or net realizable market value.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Changes in the valuation allowance have not been material to the financial statements. Management considers all receivables to be collectible. Accordingly, no bad debt expense or valuation allowance has been recorded.

Investments

The Organization carries investments in marketable securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

Property and Equipment

Property and equipment are recorded at cost, if purchased, or at fair market value at date of gift, if donated. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets.

Expenditures for additions, major renewals and betterments are capitalized, and expenditures for repairs and maintenance are charged against revenue as incurred.

FRIENDS OF CANBY ADULT CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2019

Note 1. The Organization and Summary of Significant Accounting Policies (Continued)

Property and Equipment (Continued)

The costs of assets retired or otherwise disposed of and the related accumulated depreciation are eliminated from the accounts in the year of disposal with the resulting gain or loss credited or charged to operations.

Revenue and Support Without Donor Restrictions and With Donor Restrictions

Contributions received are recorded without donor restrictions and with donor restrictions on support depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

The Organization reports gifts of land, buildings, 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 donor restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Advertising Costs

Advertising costs are generally charged to expense during the year in which they are incurred. Advertising expense was \$1,452 for the year ended June 30, 2019.

FRIENDS OF CANBY ADULT CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2019

Note 1. The Organization and Summary of Significant Accounting Policies (Continued)

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited. Such allocations are made on the basis of cost accounting information available and the judgment of management.

Income Taxes

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

The Organization files returns in the U.S. federal and the State of Oregon jurisdictions. The Organization's Form 990, *Return of Organization Exempt from Income Tax* and the State of Oregon Form CT-12 for the years ending 2016, 2017, and 2018 are subject to examination by the IRS, generally for 3 years after they were filed.

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2018, from which the summarized information was derived.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

FRIENDS OF CANBY ADULT CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2019

Note 2. Investments

The Organization's investments are recorded at fair market value on the basis of quoted market prices and consist of the following investment types:

	Fair Value 2019	Fair Value 2018
Bonds	\$ 1,221,582	\$ 1,494,324
Mutual Funds	4,182,429	3,739,199
Stocks	1,641,558	1,504,523
	<u>\$ 7,045,569</u>	<u>\$ 6,738,046</u>

Investment return consists of the following:

	2019	2018
Investment income	\$ 146,703	\$ 142,166
Net realized gains (losses) on investments	93,898	237,349
Net unrealized gains (losses) on investments	391,700	164,562
	<u>\$ 632,301</u>	<u>\$ 544,077</u>

FRIENDS OF CANBY ADULT CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2019

Note 3. Property and Equipment

Property and equipment consists of the following:

	2019	2018
Buildings and improvements	\$ 75,242	\$ 75,242
Equipment	143,567	138,074
	218,809	213,316
Less accumulated depreciation	(187,585)	(178,039)
	<u>\$ 31,224</u>	<u>\$ 35,277</u>
Depreciation charged against income	<u>\$ 12,121</u>	<u>\$ 12,064</u>

Note 4. Donated Facilities and Services

The Organization has an agreement with the City of Canby to provide services for seniors and qualifying disabled persons. In exchange, the Organization receives use of the City's Adult Center building. Contribution revenue of \$58,260 is recorded in the accompanying statement of activities.

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs, campaign solicitations, and various committee assignments. The Organization received 12,644 volunteer hours during the year ended June 30, 2019.

Note 5. Fair Values of Financial Instruments

The following methods and assumptions were used to determine the fair value of each class of financial instrument:

FRIENDS OF CANBY ADULT CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2019

Note 5. Fair Values of Financial Instruments (Continued)

Cash and Cash Equivalents

Cash and cash equivalents have original maturity dates of three months or less, therefore carrying value approximates fair value as follows:

	Carrying Amount	Fair Value
Cash on hand and with bank	\$ 49,785	\$ 49,785
Money market funds	269,299	269,299
Cash and cash equivalents	<u>\$ 319,084</u>	<u>\$ 319,084</u>

Investments

The fair value measurements and levels within the fair-value hierarchy of those measurements for the assets reported at fair value on a recurring basis at June 30, 2019 are as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments	<u>\$ 7,045,569</u>	<u>\$ 7,045,569</u>	<u>\$ -</u>	<u>\$ -</u>
Total assets	<u>\$ 7,045,569</u>	<u>\$ 7,045,569</u>	<u>\$ -</u>	<u>\$ -</u>

Fair values for investments are determined by reference to quoted market prices and relevant information generated by market transactions.

FRIENDS OF CANBY ADULT CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2019

Note 6. Net Assets with Donor Restrictions

Donor-Imposed Purpose Restrictions

Donor-imposed purpose restricted net assets contain donor-imposed restrictions that expire once specific actions are undertaken by the Organization. The net assets are then released and reclassified to unrestricted support when they are expended.

Net assets with donor restrictions are available for the following purposes:

	June 30, 2018	Contributions	Released from Restrictions	June 30, 2019
Tables & Furniture	\$ -	\$ -	\$ -	\$ -
Medical Equipment	100	-	-	100
Pets & Fans	218	-	-	218
Trip Pass Through	1,260	5,083	5,186	1,157
Computer Equipment	-	-	-	-
Kitchen Equipment	-	-	-	-
	<u>\$ 1,578</u>	<u>\$ 5,083</u>	<u>\$ 5,186</u>	<u>\$ 1,475</u>

Donor-Restricted Endowments

Donor-restricted endowments are restricted net assets that have been restricted by donors so that the principal of the contribution is maintained by the Organization in perpetuity to ensure its continued operation. The Organization's primary investment objective is to have a balance between capital appreciation, preservation of capital and current income in order to reach its primary long-term goal, which is to achieve an annualized return of 7% to 9%. Some or all earnings may be used for the Organization's operations with the approval of at least five members of the Board. The investment portfolio shall be adequately diversified to reduce risk and comply with current regulations. All assets of the perpetual funds may be co-mingled as deemed expedient by the Organization for investment purposes.

FRIENDS OF CANBY ADULT CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2019

Note 6. Net Assets with Donor Restrictions (Continued)

Donor Restricted Endowments (Continued)

Donor restricted endowments consist of the following:

	<u>June 30, 2018</u>	<u>Contributions</u>	<u>June 30, 2019</u>
Permanently Restricted			
Net Assets	<u>\$ 50,550</u>	<u>\$ -</u>	<u>50,550</u>
	<u><u>\$ 50,550</u></u>	<u><u>\$ -</u></u>	<u><u>50,550</u></u>

Note 7. Concentrations of Risk

Concentrations of risks not clearly identified elsewhere in these notes follow:

- Substantially all of those individuals who utilize the services of the Canby Adult Center are seniors living in or near Canby, Oregon.
- The Organization receives approximately 21% of its annual income from investments excluding unrealized gains or losses on investments.
- The Organization purchased 96% of food for the year ended June 30, 2019 from one vendor. This accounts for 15% of all program service expenses for the year.

Note 8. Liquidity

The Organization has \$6,235,555 of financial assets available within 1 year of the balance sheet date to meet cash needs for general expenditure consisting of cash of \$319,084, accounts receivable of \$18,405, and investments of \$5,948,616. Of the financial assets \$50,550 are subject to donor restrictions that make them unavailable for general expenditure within one year of the balance sheet date.

The Organization has a goal to maintain financial assets, consisting of cash and cash equivalents, on hand to meet 60 days of normal operating expenses, which are, on average, approximately \$137,695. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

FRIENDS OF CANBY ADULT CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2019

Note 9. Subsequent Events

Subsequent events were evaluated through October 30, 2019 which is the date the financial statements were available to be issued.

Note 10. Change in Accounting Principles

On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958)—Presentation of Financial Statements of Not-for-Profit Entities*. The Organization has adjusted the presentation of its financial statements accordingly, applying the changes retrospectively to the comparative period presented. The new standards change the following aspects of the Organization's financial statements:

- The temporarily restricted net asset classes have been combined into a single net asset class called net assets with donor restrictions.
- The unrestricted net asset class has been renamed net assets without donor restrictions.
- The financial statements include a new disclosure about liquidity and availability of resources (Financial Statement Note 8).

The changes have the following effect on net assets at June 30, 2018:

Net Asset Class	As Originally Presented	After Adoption of ASU 2016-14
Unrestricted	\$ 1,043,707	\$
Designated by the board for endowment purposes	5,951,519	
Temporarily restricted	1,578	
Permanently restricted	50,550	
Net assets without donor restrictions		
Undesignated		1,043,707
Designated by the board for endowment purposes		5,951,519
Net assets with donor imposed restrictions		
Donor imposed purpose restrictions		1,578
Donor restricted endowments	-	50,550
Total Net Assets	\$ 7,047,354	\$ 7,047,354