

**CIRCLE CENTER ADULT DAY SERVICES  
AND SUBSIDIARY**

CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2016 and 2015

**CIRCLE CENTER ADULT DAY SERVICES  
AND SUBSIDIARY**

**JUNE 30, 2016**

OFFICERS

Andrew Philip Sherrod, Chair  
Paula Desel, Vice Chair  
Beth Ludden, Secretary  
Mike Jackman, Treasurer  
Amy C. Bodman, Chief Executive Officer

DIRECTORS

Hector Alonso	Mike Jackman
Charles W. Appich, III	Hart Lee
H. Marshall Bigelow	Beth Ludden
Katherine Campbell	Jay Lugar
Alex Derhovhannessian	Chris Lumpkin
Paula Desel	Mary Ann Mugel
Shane Finnegan	Mark Railsback
Emmett R. Heltzel	Andrew Philip Sherrod

# **CIRCLE CENTER ADULT DAY SERVICES AND SUBSIDIARY**

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June 28, 2017

INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Circle Center Adult Day Services  
Richmond, Virginia

We have audited the accompanying consolidated financial statements of **Circle Center Adult Day Services** (a nonprofit organization) and its subsidiary, which comprise the consolidated statements of financial position as of June 30, 2016 and 2015, and the related consolidated statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the consolidated financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Circle Center Adult Day Services and its subsidiary as of June 30, 2016, and the changes in their net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**Prior Period Financial Statements**

The consolidated financial statements as of June 30, 2015, were audited by Smith & Eggleston, P.C., who merged with Joyner, Kirkham, Keel & Robertson, P.C. as of October 1, 2015, and whose report dated February 18, 2016, expressed an unmodified opinion on those statements.

**Report on Other Information**

The listing of officers and directors following the title page (non-accounting information) is presented for purposes of additional information and is not a required part of the consolidated financial statements. The non-accounting information has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

A handwritten signature in black ink that reads "Joyner, Kirkham, Keel & Robertson, P.C." The signature is written in a cursive style and is centered within a light gray rectangular box.

**CIRCLE CENTER ADULT DAY SERVICES  
AND SUBSIDIARY**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2016 AND 2015

	2016	2015
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash	\$ 594,849	\$ 536,018
Accounts receivable	93,656	69,790
Prepaid expenses	4,142	2,824
Other assets	3,868	5,032
Note receivable	-	5,428
	696,515	619,092
<u>Total Current Assets</u>	696,515	619,092
<u>PROPERTY AND EQUIPMENT</u> (net of accumulated depreciation)	3,279,928	3,340,680
<u>OTHER ASSETS</u>		
Note receivable (less current portion)	42,453	51,534
	4,018,896	4,011,306
<u>TOTAL ASSETS</u>	\$ 4,018,896	\$ 4,011,306
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 24,372	\$ 156,572
Accrued expenses	90,970	20,818
Employee withholding	377	11,584
Current portion of long-term debt	40,282	915,669
	156,001	1,104,643
<u>Total Current Liabilities</u>	156,001	1,104,643
<u>LONG-TERM DEBT</u> (less current portion)	788,633	-
	944,634	1,104,643
<u>Total Liabilities</u>	944,634	1,104,643
<u>NET ASSETS</u>		
Unrestricted	2,725,262	2,782,458
Temporarily restricted	349,000	124,205
	3,074,262	2,906,663
<u>Total Net Assets</u>	3,074,262	2,906,663
<u>TOTAL LIABILITIES AND NET ASSETS</u>	\$ 4,018,896	\$ 4,011,306

See accompanying notes

**CIRCLE CENTER ADULT DAY SERVICES  
AND SUBSIDIARY**

CONSOLIDATED STATEMENTS OF ACTIVITIES

Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<u>CHANGES IN UNRESTRICTED NET ASSETS</u>		
<u>SUPPORT AND REVENUE</u>		
Program services	\$ 745,517	\$ 694,134
Fees and grants from governmental agencies	663,316	478,118
Contributions	136,074	152,472
Special event income	13,736	14,318
Interest income	3,259	4,370
	<u>1,561,902</u>	<u>1,343,412</u>
<u>Total Support and Revenue</u>		
	<u>345,433</u>	<u>618,050</u>
<u>NET ASSETS RELEASED FROM RESTRICTIONS</u>		
<u>Total Unrestricted Support and Revenue</u>	<u>1,907,335</u>	<u>1,961,462</u>
<u>EXPENSES</u>		
Program service	1,630,231	1,240,761
Management and general	270,108	251,739
Fundraising	64,192	99,192
	<u>1,964,531</u>	<u>1,591,692</u>
<u>Total Expenses</u>		
<u>OTHER INCOME (EXPENSE)</u>		
Net rental income (loss)	<u>-</u>	<u>(30,042)</u>
<u>Change in Unrestricted Net Assets</u>	<u>(57,196)</u>	<u>339,728</u>
<u>CHANGES IN TEMPORARILY RESTRICTED NET ASSETS</u>		
<u>SUPPORT AND REVENUE</u>		
Restricted fund contributions	570,228	648,153
<u>NET ASSETS RELEASED FROM RESTRICTIONS</u>	<u>(345,433)</u>	<u>(618,050)</u>
<u>Change in Temporarily Restricted Net Assets</u>	<u>224,795</u>	<u>30,103</u>
<u>Change in Net Assets</u>	167,599	369,831
<u>NET ASSETS</u>		
Beginning of year	<u>2,906,663</u>	<u>2,536,832</u>
End of year	<u>\$ 3,074,262</u>	<u>\$ 2,906,663</u>

See accompanying notes

**CIRCLE CENTER ADULT DAY SERVICES  
AND SUBSIDIARY**

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Change in net assets	\$ 167,599	\$ 369,831
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	115,936	103,273
Bad debts	31,398	
Changes in operating assets and liabilities		
Accounts receivable	(23,866)	14,092
Prepaid expenses	(1,318)	1,838
Other assets	1,164	-
Note receivable	5,428	13,604
Accounts payable	(132,200)	126,256
Accrued expenses	70,152	780
Employee withholding	(11,207)	10,228
<u>Total Adjustments</u>	<u>55,487</u>	<u>270,071</u>
<u>Net Cash Provided by Operating Activities</u>	<u>223,086</u>	<u>639,902</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Purchase of property and equipment	(84,543)	(521,215)
<u>Net Cash Used in Investing Activities</u>	<u>(84,543)</u>	<u>(521,215)</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Mortgage loans curtailments	(86,754)	(87,620)
<u>Net Cash Used in Financing Activities</u>	<u>(86,754)</u>	<u>(87,620)</u>
<u>Net Increase in Cash</u>	51,789	31,067
<b><u>CASH</u></b>		
Beginning of year	<u>536,018</u>	<u>504,951</u>
End of year	<u>\$ 587,807</u>	<u>\$ 536,018</u>

See accompanying notes

## CIRCLE CENTER ADULT DAY SERVICES AND SUBSIDIARY

### CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2016

	Program Service	Management and General	Fundraising	Total
<b><u>PERSONNEL</u></b>				
Salaries & wages - net of reimbursements	\$ 926,655	\$ 175,560	\$ 56,235	\$ 1,158,450
Payroll taxes	69,889	14,045	4,499	88,433
Employee benefits	74,116	2,339	1,305	77,760
Retirement plan	38,605	3,232	2,010	43,847
<u>Total Personnel</u>	1,109,265	195,176	64,049	1,368,490
<b><u>OCCUPANCY</u></b>				
Mortgage interest	35,994	2,847	-	38,841
Electricity	30,717	2,430	-	33,147
Taxes	23,616	1,868	-	25,484
Custodial and waste services	13,479	1,066	-	14,545
Water and sewer	5,174	409	-	5,583
Gas	3,500	277	-	3,777
<u>Total Occupancy</u>	112,480	8,897	-	121,377
<b><u>OTHER</u></b>				
Meals and snacks	114,029	-	-	114,029
Equipment rental/repair	52,311	5,812	-	58,123
Bad debts	31,398	-	-	31,398
Insurance	22,866	2,541	-	25,407
Janitorial supplies	16,502	868	-	17,370
Professional fees	3,880	11,640	-	15,520
Office supplies	7,622	7,621	-	15,243
Marketing	12,529	1,392	-	13,921
Software	11,798	514	-	12,312
Telephone	9,862	201	-	10,063
Participant transportation	9,406	-	-	9,406
Program supplies	8,087	-	-	8,087
Bank merchant charges	6,003	1,501	143	7,647
Staff appreciation	5,999	-	-	5,999
Printing	2,590	2,589	-	5,179
Nursing supplies	3,768	-	-	3,768
Postage	679	2,035	-	2,714
Conferences and meetings	1,497	-	-	1,497
Membership dues	516	129	-	645
Staff travel	-	144	-	144
<u>Total Other</u>	321,342	36,987	143	358,472
<b><u>DEPRECIATION</u></b>				
	87,144	29,048	-	116,192
<u>Total Expenses</u>	\$ 1,630,231	\$ 270,108	\$ 64,192	\$ 1,964,531

See accompanying notes

## CIRCLE CENTER ADULT DAY SERVICES AND SUBSIDIARY

### CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2015

	Program Service	Management and General	Fundraising	Total
<b><u>PERSONNEL</u></b>				
Salaries & wages - net of reimbursements	\$ 717,032	\$ 175,560	\$ 56,235	\$ 948,827
Payroll taxes	53,865	14,045	4,499	72,409
Employee benefits	52,366	2,339	1,305	56,010
Retirement plan	34,543	3,232	2,010	39,785
<u>Total Personnel</u>	857,806	195,176	64,049	1,117,031
<b><u>OCCUPANCY</u></b>				
Electricity	27,438	2,170	-	29,608
Mortgage interest	20,380	1,612	-	21,992
Custodial and waste services	18,487	1,462	-	19,949
Taxes	18,073	1,429	-	19,502
Water and sewer	4,415	349	-	4,764
Gas	4,156	329	-	4,485
Rent	751	59	-	810
<u>Total Occupancy</u>	93,700	7,410	-	101,110
<b><u>OTHER</u></b>				
Meals and snacks	78,533	-	-	78,533
Professional fees	2,431	7,293	35,000	44,724
Equipment rental/repair	30,253	3,361	-	33,614
Insurance	19,470	2,163	-	21,633
Marketing	13,173	1,464	-	14,637
Telephone	12,448	254	-	12,702
Software	11,134	514	-	11,648
Janitorial supplies	10,791	568	-	11,359
Staff appreciation	10,478	-	-	10,478
Office supplies	5,157	5,157	-	10,314
Participant transportation	6,780	-	-	6,780
Printing	2,440	2,440	-	4,880
Conferences and meetings	3,999	-	-	3,999
Program supplies	3,168	-	-	3,168
Bad debts	2,890	-	-	2,890
Nursing supplies	2,657	-	-	2,657
Postage	553	1,657	-	2,210
Bank merchant charges	670	168	143	981
Membership dues	612	153	-	765
Staff travel	-	88	-	88
<u>Total Other</u>	217,637	25,280	35,143	278,060
<b><u>DEPRECIATION</u></b>				
	71,618	23,873	-	95,491
<u>Total Expenses</u>	\$ 1,240,761	\$ 251,739	\$ 99,192	\$ 1,591,692

See accompanying notes

# CIRCLE CENTER ADULT DAY SERVICES AND SUBSIDIARY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*a. Nature of Organization*

Circle Center Adult Day Services is a non-stock Virginia corporation that is licensed as a day care center for adults by the Virginia Department of Social Services. It provides services for older adults living in the Richmond, Virginia metropolitan area. Such services are designed to meet the following goals: (1) prevent inappropriate or premature institutionalization, (2) provide on-going health support services; (3) provide appropriate relief for family caregivers, and (4) improve the quality of life of frail and impaired older adults. Circle Center Adult Day Services is supported primarily through fees and grants from governmental agencies, private payment for program services, donor grants and contributions, and the United Way.

Circle Center, LLC was formed as a single member limited liability company in order to purchase, own, renovate, and operate Circle Center Adult Day Services' operating facility.

*b. Principles of Consolidation*

The consolidated financial statements include the accounts of Circle Center Adult Day Services and its wholly-owned subsidiary, Circle Center, LLC (collectively referred to as "the Organization"). All significant intercompany accounts and transactions have been eliminated.

*c. Method of Accounting*

The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

*d. Basis of Presentation*

Financial statement presentation follows the recommendations of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Presentation of Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

*e. Restricted and Unrestricted Support and Revenue*

Contributions received are recorded as unrestricted or temporarily restricted 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 unrestricted net assets 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 temporarily restricted net assets. When a 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.

*f. Cash and Cash Equivalents*

For purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

## CIRCLE CENTER ADULT DAY SERVICES AND SUBSIDIARY

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

*g. Contributed Services*

A number of unpaid volunteers donated significant contributions of their time for the years ended June 30, 2016 and 2015 to the Organization's program and support services. These contributions in-kind are not reflected in the financial statements since these services do not meet the criteria for recognition.

*h. Property and Equipment*

It is the Organization's policy to capitalize property and equipment over \$500. Property and equipment is stated at cost. Depreciation is recorded on the straight-line method over the estimated useful lives of the assets, ranging from five to forty years.

*i. Accounts and grants receivable*

Accounts receivable are stated at the amount management expects to collect on balances outstanding at year-end. Receivables are generally not collateralized. The Organization maintains an allowance for doubtful accounts based upon historical trends and factors surrounding the credit risk of specific participants. The Organization does not accrue interest or fees on overdue receivables. Grant receivables are based on grant contracts received prior to year end where the organization has met all restrictions to obtain the funds.

*j. Use of 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.

*k. Income Tax Status*

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for income taxes in the accompanying financial statements. In addition, the Organization has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code.

*l. Uncertain Tax Positions*

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

*m. Promises to Give*

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

**CIRCLE CENTER ADULT DAY SERVICES  
AND SUBSIDIARY**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

*n. Functional Allocation of Expenses*

The costs of providing the various program and supporting services have been summarized on a functional basis in the consolidated statements of activities and consolidated statements of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited.

*o. Subsequent Events*

Management has evaluated subsequent events through June 28, 2017, the date the financial statements were available to be issued.

NOTE 2 – PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2016 and 2015, consisted of the following:

	<u>2016</u>	<u>2015</u>
Land	\$ 281,384	\$ 281,384
Building	3,534,375	3,492,366
Equipment	107,685	99,428
Furniture and fixtures	<u>155,023</u>	<u>150,980</u>
Total Property and Equipment	4,078,467	4,024,158
Less accumulated depreciation	<u>798,539</u>	<u>683,478</u>
Net Property and Equipment	<u>\$ 3,279,928</u>	<u>\$ 3,340,680</u>

**CIRCLE CENTER ADULT DAY SERVICES  
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3 – LONG-TERM DEBT

Long-term debt at June 30, 2016 and 2015, consisted of the following:

	2016	2015
Note payable in 83 monthly installments of \$6,295 with interest at 4.29%. Any remaining principal and accrued interest will be due at maturity on May 5, 2023. The note is secured by real estate, receivables and the guarantee of Circle Center, LLC.	\$ 828,915	\$ -
Term loan for the renovation of the West Marshall Street property. Interest accrues at the LIBOR rate plus 2.25%, with a minimum and maximum rate of 4% and 7%, respectively. Interest only payments were due through June 5, 2011, at which time scheduled monthly payments began in the amount of \$10,558, including principal and interest, with a final balloon payment due on June 5, 2016. The loan is secured by the real property and a security agreement with the Organization.	-	915,669
Total	\$ 828,915	\$ 915,669

The carrying value of the land and building pledged as collateral totaled \$3,215,897 at June 30, 2016.

Scheduled maturities of long-term debt are as follows:

Year ending June 30,	
2017	\$ 40,282
2018	42,070
2019	43,937
2020	45,805
2021	47,919
Thereafter	608,902
Total Long-Term Debt	\$ 828,915

**CIRCLE CENTER ADULT DAY SERVICES  
AND SUBSIDIARY**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30, 2016 and 2015, consisted of the following:

	<u>2016</u>	<u>2015</u>
Expansion and capacity building efforts	\$ 184,831	\$ -
Maintenance	99,215	-
Scholarships	40,913	76,781
Strategic planning	10,833	-
Adult day care services	5,234	25,936
Snoezelen	4,260	5,000
Computer upgrades	3,714	3,904
Training	-	12,584
	<u>          </u>	<u>          </u>
Total Temporarily Restricted Net Assets	<u>\$ 349,000</u>	<u>\$ 124,205</u>

NOTE 5 – PUBLIC SUPPORT

Contributions

Unrestricted contributions are received for use in the general day-to-day operations of the Organization. A summary of contributions received for the years ended June 30, 2016 and 2015, follows:

<u>Source</u>	<u>2016</u>	<u>2015</u>
Annual appeal	\$ 68,101	\$ 47,375
Memorial and furnishings	-	1,627
Other	67,973	103,470
	<u>          </u>	<u>          </u>
	<u>\$ 136,074</u>	<u>\$ 152,472</u>

Fees and Grants from Governmental Agencies

Fees and grants from governmental agencies include funds received as third party reimbursements for serving specific qualified participants. A summary of fees and grants received for the years ended June 30, 2016 and 2015, follows:

<u>Source</u>	<u>2016</u>	<u>2015</u>
Medicaid	\$ 578,916	\$ 411,789
USDA	62,948	45,612
Senior Connections	21,452	20,717
	<u>          </u>	<u>          </u>
	<u>\$ 663,316</u>	<u>\$ 478,118</u>

**CIRCLE CENTER ADULT DAY SERVICES  
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 – NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by donors during the years ended June 30, 2016 and 2015. Such funds received and released from United Way totaled \$80,701 and \$49,528 for the years ended June 30, 2016 and 2015, respectively. Such funds received and released were as follows:

	<u>2016</u>	<u>2015</u>
Scholarships and tuition subsidy	\$ 264,249	\$ 192,495
Purchase of fixed assets and other assets	44,760	416,380
Salary and training	12,584	9,175
Other	<u>23,840</u>	<u>-</u>
	<u>\$ 345,433</u>	<u>\$ 618,050</u>

NOTE 7 – NET RENTAL INCOME (LOSS)

Net rental income (loss) consisted of the following for the years ended June 30, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Rental income - West Marshall Street	\$ <u>1,300</u>	\$ <u>1,300</u>
Depreciation	328	7,783
Mortgage interest	110	17,084
Utilities	120	698
Taxes and insurance	<u>75</u>	<u>5,777</u>
	<u>633</u>	<u>31,342</u>
Net rental income (loss)	<u>\$ 667</u>	<u>\$ (30,042)</u>

**CIRCLE CENTER ADULT DAY SERVICES  
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**NOTE 8 – RESTRICTED FUNDS**

A summary of restricted fund contributions received during the years ended June 30, 2016 and 2015, follows:

	<u>2016</u>	<u>2015</u>
Capital Campaign	\$ 340,000	\$ 416,000
United Way Community Care	60,000	63,570
Altria Companies Employee Community Fund	40,000	
Jenkins Foundation	35,000	30,000
Lory Phillippo Scholarship	32,100	5,598
Designated Contributions	20,578	27,985
Genworth Foundation	17,500	-
Sheltering Arms Fund	15,000	20,000
UPS Foundation	5,000	5,000
Titmus Foundation	5,000	
Anonymous donor	50	50,000
The Harrison Foundation	-	10,000
Richmond Memorial Foundation	-	20,000
	<u>\$ 570,228</u>	<u>\$ 648,153</u>

**NOTE 9 – RETIREMENT PLAN**

The Organization has a qualified defined contribution retirement plan for the benefit of its employees. Employees were eligible to receive a contribution after the later of three months or 501 hours of service. A 5% contribution was made to eligible participants for the years ended June 30, 2016 and 2015, and the retirement plan expense totaled \$43,847 and \$39,785 for those years, respectively. The plan may be amended or terminated by the board of directors at any time.

**NOTE 10 – CONCENTRATION OF CREDIT RISK**

The Organization maintains its cash balances at financial institutions. As of June 30, 2016, all depositors are insured by the Federal Deposit Insurance Corporation for up to \$250,000 per depositor per bank. At June 30, 2016, the Organization had cash balances that exceeded FDIC insurance limits by approximately \$247,000.

**NOTE 11 – SUPPLEMENTAL CASH FLOW INFORMATION**

Cash paid for interest totaled \$36,372 and \$42,553 for the years ended June 30, 2016 and 2015, respectively.