

**The Senior Hub, Inc.**

**Financial Statements  
And  
Independent Auditors' Report**

**December 31, 2010  
(and comparative totals for 2009)**

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LEMKE, FEIS & CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS  
193 SOUTH 27TH AVENUE, SUITE 100  
BRIGHTON, COLORADO 80601-2662  
(303) 659-1200 FAX (303) 659-1204

WILLIAM E. LEMKE  
ROBERT R. FEIS

MEMBERS:  
AMERICAN INSTITUTE OF CPAs  
COLORADO SOCIETY OF CPAs

INDEPENDENT AUDITORS' REPORT

April 28, 2011

Board of Directors  
The Senior Hub, Inc.  
Federal Heights, Colorado

We have audited the accompanying statement of financial position of The Senior Hub, Inc. (a not-for-profit corporation) as of December 31, 2010 and the related financial statements, as listed in the table of contents, for the year then ended. These financial statements are the responsibility of the Board of Directors. 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 Hub, Inc. (a non-profit corporation) as of December 31, 2010 and the changes in net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Lemke, Feis & Co., P.C.*

CERTIFIED PUBLIC ACCOUNTANTS

**The Senior Hub, Inc.**  
**Statement of Financial Position**  
**December 31, 2010**

	<u>2010</u>	<u>Comparative 2009</u>
<u>Assets</u>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 567,133	\$ 479,850
Grant and donations receivable	119,780	125,625
Prepaid expenses	7,708	5,687
Total Current Assets	694,621	611,162
<b>Property and Equipment (at cost )</b>		
Office furniture and equipment	111,415	97,833
Leasehold improvements	88,048	88,048
Total property and equipment	199,463	185,881
Accumulated depreciation	(157,077)	(146,493)
Net Property and Equipment	42,386	39,388
Total Assets	\$ 737,007	\$ 650,550
 <u>Liabilities and Net Assets</u>		
<b>Current Liabilities</b>		
Accounts payable and accrued payroll	\$ 37,736	\$ 38,348
Total Current Liabilities	37,736	38,348
<b>Net Assets:</b>		
Temporarily restricted	-	40,000
Unrestricted	699,271	572,202
Total Net Assets	699,271	612,202
Total Liabilities and Net Assets	\$ 737,007	\$ 650,550

See independent auditors' report.  
The accompanying notes are an integral part of the financial statements.

**The Senior Hub, Inc.**  
**Statement of Activities**  
**For the Year Ended December 31, 2010**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals 2010</u>	<u>Comparative 2009</u>
<b>Revenues, gains, &amp; other support:</b>				
Corporate and Foundation Grants	\$ 277,439	\$ 69,388	\$ 346,827	\$ 213,911
Donations from individuals	30,166	-	30,166	38,489
In-kind donations from individuals	9,606	-	9,606	-
Cities and Counties, Local Resources	21,510	145,683	167,193	117,790
In-kind rent donation, Adams County	33,000	-	33,000	33,000
<b>Federal Funds:</b>				
Passed through Cities and Counties	-	343,185	343,185	317,493
Direct, Corp. for National Service	-	59,500	59,500	63,362
Direct, EFS National Board	-	2,700	2,700	3,035
Direct, Internal Revenue Service	-	-	-	9,218
United Way	30,624	-	30,624	19,000
Program revenue	253,649	-	253,649	297,097
Special events: Revenue	\$ 47,372			
Expenses	<u>19,511</u>			
Net	<u>27,861</u>	27,861	27,861	20,582
Interest income	3,173	-	3,173	5,301
Other income	1,001	-	1,001	5,029
Net assets released from restrictions	660,456	(660,456)	-	-
<b>Total Revenues</b>	<u>1,348,485</u>	<u>(40,000)</u>	<u>1,308,485</u>	<u>1,143,307</u>
<b>Expenses:</b>				
Meals-on-Wheels - Rural	53,531	-	53,531	57,311
Meals-on-Wheels - Urban	199,069	-	199,069	209,531
RSVP	136,837	-	136,837	131,876
Senior Solutions	133,027	-	133,027	111,741
Respite	331,116	-	331,116	319,434
Adult Day Service	225,856	-	225,856	222,755
Senior Tax Assistance	-	-	-	9,218
Fund raising	54,525	-	54,525	48,213
General and administrative	87,455	-	87,455	70,941
<b>Total Expenses</b>	<u>1,221,416</u>	<u>-</u>	<u>1,221,416</u>	<u>1,181,020</u>
<b>Change in Net Assets</b>	127,069	(40,000)	87,069	(37,713)
<b>Net Assets at Beginning of Year</b>	<u>572,202</u>	<u>40,000</u>	<u>612,202</u>	<u>649,915</u>
<b>Net Assets at End of Year</b>	<u>\$ 699,271</u>	<u>\$ -</u>	<u>\$ 699,271</u>	<u>\$ 612,202</u>

See independent auditors' report.  
The accompanying notes are an integral part of the financial statements.

The Senior Hub, Inc.  
Statement of Functional Expenses  
For the Year Ended December 31, 2010

	Meals on Wheels		RSYP	Senior Solutions	Respite Program	Adult Day Service	Fund Raising	General & Administrative	2010 Total Functional Expenses	2009 Comparative Functional Expenses
	Rural	Urban								
Salaries	\$ 19,715	\$ 82,879	\$ 88,780	\$ 86,769	\$ 245,224	\$ 118,526	\$ 42,166	\$ 43,767	\$ 727,826	\$ 694,833
Payroll taxes	1,713	7,012	7,012	6,475	20,966	9,625	2,034	5,777	60,614	54,340
Employee benefits	1,873	6,809	6,897	6,947	10,337	3,784	2,170	2,548	41,365	38,440
	23,301	96,700	102,689	100,191	276,527	131,935	46,370	52,092	829,805	787,613
Client assistance	21,275	72,119	-	12,036	3,493	29,353	-	-	138,276	148,017
Community education	-	-	8	-	1,497	1,050	-	2,574	5,129	3,937
Contract services	-	-	-	-	-	-	-	-	-	7,685
Volunteer costs	-	1,661	4,149	-	419	-	-	-	6,229	13,599
Volunteer recognition	10	1,034	3,079	-	-	-	-	218	4,341	4,306
Conferences & training	-	88	-	-	416	285	-	1,335	2,124	1,450
Dues and memberships	-	216	425	-	-	-	-	3,237	3,878	3,574
Insurance	181	686	728	541	7,191	1,798	-	2,636	13,761	17,786
Equipment maintenance	-	-	1,860	77	77	-	-	77	2,091	1,345
Computer & office	1,108	2,317	627	2,070	3,754	3,806	-	3,488	17,170	11,806
Other	-	240	75	21	813	7	529	4,310	5,995	4,930
Printing & publications	20	645	1,424	1,055	842	419	-	2,411	6,816	3,785
Program supplies	637	2,993	1,955	1,193	1,991	2,768	-	2,367	13,904	12,444
Postage	103	225	930	200	763	737	521	324	3,803	6,575
Professional fees	1,030	3,406	2,339	1,961	4,633	3,549	631	3,530	21,079	19,039
Telephone & internet	1,373	1,347	2,227	1,567	2,968	2,344	-	944	12,770	11,144
Utilities	317	1,312	1,052	929	682	1,901	-	720	6,913	2,211
Travel	2,180	872	3,821	966	5,541	-	-	2,481	15,861	11,617
Rent - In kind	-	9,405	6,435	7,260	5,775	-	1,225	2,900	33,000	33,000
Rent paid	1,938	679	835	577	6,259	45,303	-	376	55,967	59,518
Services - In kind	-	-	-	-	4,675	-	4,931	-	9,606	-
Advertising	58	160	168	160	1,106	601	-	61	2,314	1,891
Depreciation	-	2,964	2,011	2,223	1,694	-	318	1,374	10,584	13,748
	\$ 53,531	\$ 199,069	\$ 136,837	\$ 133,027	\$ 331,116	\$ 225,856	\$ 54,525	\$ 87,455	\$ 1,221,416	\$ 1,181,020

See independent auditors' report.  
The accompanying notes are an integral part of the financial statements.

**The Senior Hub, Inc.**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2010**

	2010	Comparative 2009
<b>Cash flows from operating activities:</b>		
<b>Change in Net Assets, Increase (Decrease)</b>	<b>\$ 87,069</b>	<b>\$ (37,713)</b>
<b>Adjustments to reconcile change in assets to net cash provided (used) by operating activities:</b>		
Depreciation	10,584	13,748
Change in grants and donations receivable	5,845	33,801
Change in prepaid expenses	(2,021)	6,916
Change in accounts and payroll taxes payable	(612)	(8,790)
<b>Net cash provided (used) by operating activities</b>	<b>100,865</b>	<b>7,962</b>
<b>Purchase of property and equipment</b>	<b>(13,582)</b>	<b>(1,039)</b>
<b>Net increase in cash and cash equivalents</b>	<b>87,283</b>	<b>6,923</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>479,850</b>	<b>472,927</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 567,133</b>	<b>\$ 479,850</b>

See independent auditors' report.  
The accompanying notes are an integral part of the financial statements.

**The Senior Hub, Inc.**  
**Notes to Financial Statements**  
**December 31, 2010**

**1. Summary of Significant Accounting Policies**

**History and Purpose**

The Senior Hub, Inc. is a Colorado non-profit corporation that was established in 1986 to improve the quality of life for Adams County senior citizens through planning and coordinate services, advocacy, resource development, and the provision of county wide direct services. The organization has since expanded to serve neighboring counties. A brief description of each significant program is as follows:

**Meals on Wheels/Outreach** – provides low-income and home-bound seniors with one hot meal per day. The outreach program is used to locate and identify isolated elderly citizens in need of assistance and refer them to appropriate services.

**Retired Senior Volunteer Program (RSVP)** – recruits and places senior volunteers with community organizations.

**Senior Solutions** – A comprehensive information and problem resolution service for Adams County seniors. The program includes minor home repair, food bank, and medical equipment lending.

**Respite Program** – provides a break for spouses or caregivers of individuals who need full time assistance. The program also assists senior citizens that cannot complete certain home tasks.

**Adult Day Service** – provides full and partial day services outside of the home to individuals who need full time assistance.

**General Accounting Policies**

The financial statements of The Senior Hub, Inc. are prepared based upon accounting principles generally accepted in the United State of America for not-for-profit entities. The Organization has adopted the provisions of Statement of Financial Accounting Standards Codification 958 (formerly SFAS No. 117), *Financial Statements of Not-for-Profit Organizations*. Under this statement, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. In addition, contributions received are recorded as restricted, temporarily restricted, or permanently restricted support based on the existence and nature of any donor restrictions.

See independent auditors' report.

**The Senior Hub, Inc.**  
**Notes to Financial Statements**  
**December 31, 2010**

**1. Summary of Significant Accounting Policies (continued)**

**History and Purpose (continued)**

Under SFASC 958 the financial statements report information regarding its financial position and activities separately by three classes of net assets:

**Unrestricted Net Assets**

Unrestricted net assets are net assets currently available at the discretion of the Board for the use in the Organization's operations.

**Temporarily Restricted Net Assets**

Temporarily restricted net assets are net assets which are stipulated by donors or grantors for specific operating purposes or future periods.

**Permanently Restricted Net Assets**

Permanently restricted net assets are net assets which are to be maintained by the organization in perpetuity. To date, The Senior Hub, Inc. has not received any permanently restricted net assets.

**Revenue Recognition**

The Senior Hub, Inc. reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

As part of its respite program, The Senior Hub, Inc. provides limited household support services to elderly members of the community. As a part of this program employees provide direct services to seniors who are charged a fee moderately representative of competitive rates for housekeeping, minor repairs and associated services. This income is recognized as the services are provided.

**Functional Expenses**

Functional expenses have been allocated between general, fund raising and program expenses based upon the records maintained on a program basis.

See independent auditors' report.

**The Senior Hub, Inc.**  
**Notes to Financial Statements**  
**December 31, 2010**

**1. Summary of Significant Accounting Policies (continued)**

**Property & Equipment**

All expenditures for furniture and equipment are capitalized and depreciated over estimated use lives using the straight line method. Repairs and maintenance expenditures that do not improve or materially extend the life of fixed assets are charged to expense as they are incurred. Lives of various categories of fixed assets are as follows:

Furniture and Equipment	Five to Ten Years
Leasehold improvements	Ten to Forty Years

**Income Taxes**

The Senior Hub, Inc. is a 501 (c) 3 entity which is exempt from federal income taxation on its exempt purpose income. Accordingly, no provision for income taxes is included in the accompanying financial statements.

In accordance with accounting principles generally accepted in the United States of America, a private entity is required to disclose any material uncertain tax positions that management believes does not meet a "more-likely-than-not" standard of being sustained under an income tax audit and to record a liability for any such income tax, including penalties and related interest expense. Management has not identified any uncertain tax positions that require the recording of a liability mentioned above or further disclosure.

**Use of Estimates**

Preparation of financial statements in conformity with generally accepted accounting principles requires the use of management 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 reported amounts of revenues and expenses during the reporting period. Actual results could vary from those estimates.

**Cash Equivalents**

Cash and cash equivalents are defined as cash and short-term investments with an original maturity of three months or less. At December 31, 2010, The Senior Hub, Inc.'s cash was in the form of demand deposits, money market funds and cash on hand.

See independent auditors' report.

**The Senior Hub, Inc.**  
**Notes to Financial Statements**  
**December 31, 2010**

**1. Summary of Significant Accounting Policies (continued)**

**Fair Value Measurements**

Beginning in 2010, the Organization adopted the requirements of Statement of Financial Accounting Standards Codification 820, (formerly SFAS No. 157), *Fair Value Measurements*. This statement requires the use of a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels: quoted market prices in active markets for identical assets and liabilities (Level 1), inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly (Level 2), and unobservable inputs from the asset or liability (Level 3).

The Organization's financial instruments include cash and cash equivalents, receivables, and accounts payable. The fair value of these financial instruments approximates their carrying amounts based on current market indicators such as prevailing interest rates and their nearness to maturity.

**Allowance for Doubtful Accounts**

The Senior Hub, Inc. has not experienced material bad debt losses in prior periods and there are no indications that any current receivables are not collectable. All significant accounts receivable are due from governmental entities or foundations with substantial net worth. Accordingly, no allowance for doubtful accounts has been established.

**Concentration of risk and support**

The Senior Hub, Inc. operates from two locations in Adams County and one location in Arapahoe County. Other agencies in the community provide similar services in some respects to the specific services The Senior Hub, Inc. provides and there is no limitation on other providers competing with services that the Project provides in the community. The Organization keeps most of its funds in accounts that are insured by the FDIC and at times those funds exceed the insured limit of \$250,000. Cash at the 2010 year end exceeded federally insured limit by \$153,929.

**Comparative Financial Data**

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include in 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 December 31, 2009, from which the summarized information was derived.

See independent auditors' report.

**The Senior Hub, Inc.**  
**Notes to Financial Statements**  
**December 31, 2010**

**2. Leases**

The Senior Hub, Inc. leases office and storage space in Aurora Colorado under terms of a lease dated October 2004 which has been extended through March 31, 2012 for \$680 per month. Additionally, The Senior Hub, Inc. leases space for its Adult Day Services program and that lease term expires in October 2011. The beginning monthly rent is \$3,074 and the rent increases nominally each year thereafter. Starting June of 2010, rent payments equaled \$3,844 per month.

The Senior Hub, Inc. also utilizes a facility it uses for office and programs that has been provided by Adams County which is more fully described in the footnote describing in-kind donations.

Minimum lease payments under the leases for the following five years are as follows:

December 31, 2011	\$ 46,596
2012	2,040
2013	-
2014	-
2015	-
	<u>\$ 48,636</u>

**3. Other Commitments**

The Organization entered into a lease for a new copier on June 30, 2009. Under the terms of the lease, the Organization is required to pay a base amount of \$328 per month, over a three-year period ending July 2012. The related service contract for the copier is \$60 per month for 4000 copies and \$0.015 a copy over 4000. Total lease expenses for the year ending December 31, 2010 were \$8,085.

**4. Special Events**

The Senior Hub, Inc. operates several fund raising activities in order to supplement the funds available for its operations. During the year ended December 31, 2010, its primary special event was a golf tournament which it sponsors annually.

**5. Retirement Plan**

The organization maintains a Retirement Plan under section 403(b) of the Internal Revenue Code. All employees who work 20 or more hours per week are eligible to participate in the plan. The organization matches contributions up to three percent of the employee's gross compensation. Contributions for the year ended December 31, 2010 were \$13,363.

See independent auditors' report.

**The Senior Hub, Inc.**  
**Notes to Financial Statements**  
**December 31, 2010**

**6. Resources provided by Local Governments**

During the year ended December 31, 2010, The Senior Hub, Inc. received support from Adams County, Colorado and the Denver Regional Council of Governments that represented 12% and 21% of total support and revenue respectively for the year ended December 31, 2010. The Adams County, Colorado support included \$33,000 in support in the form of in-kind rent. A significant portion of the remaining funds received from both entities were federal pass through funds.

**7. In-Kind Donations**

The Senior Hub, Inc. operates its primary programs and has office space in a building located in Federal Heights, Colorado. The building is owned by Adams County and is leased to The Senior Hub, Inc. at \$10 per year. The agreement is subject to termination by the County or The Senior Hub, Inc. upon a three month advance notice. This agreement has been in existence since 1981 and while it is not assured, The Senior Hub, Inc. anticipates utilization of the building at a nominal charge for the foreseeable future.

In accordance with generally accepted accounting principles, The Senior Hub, Inc. has recognized the value of this in-kind donation and the related expense based upon a valuation provided by an independent consultant and recorded a \$33,000 in-kind donation and related expense.

The Senior Hub, Inc. receives substantial support for the services it provides in the community in the form of volunteer resources that provide assistance in such wide spread services as part-time receptionist services and deliveries for the Meals On Wheels program. However, these services do not require specialized skills and accordingly, no financial statement recognition is given for the estimated value of the services under generally accepted accounting principles. The Senior Hub, Inc. provides certain volunteer recognition activities and provides mileage reimbursement for services provided in certain programs.

In 2010, the Senior Hub, Inc. received and recorded various in-kind donations of goods. The fair value of these donations was \$9,606.

**8. Subsequent Events**

Effective December 31, 2009, the Organization adopted the provisions of Statement of Financial Accounting Standards Codification 855 (formerly SFAS No. 165), *Subsequent Events*. This statement requires management to evaluate, through the date the financial statements are issued or are available to be issued, events or transactions that may require recognition or disclosure in the financial statements, and to disclose the date through which subsequent events were evaluated. The Organization's financial statements were available to be issued on April 28, 2011, and this is the date through which subsequent events were evaluated. The Organization did not identify any subsequent events requiring disclosure.

See independent auditors' report.