

Senior Citizens of Greater Dallas, Inc.

Financial Report

March 31, 2020

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Independent Auditor's Report

To the Board of Directors of
Senior Citizens of Greater Dallas, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Senior Citizens of Greater Dallas, Inc. (a nonprofit organization) (dba The Senior Source), (the Organization) which comprise the statements of financial position as of March 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Senior Citizens of Greater Dallas, Inc. as of March 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Weaver and Tidwell, L.L.P.
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The Board of Directors of
Senior Citizens of Greater Dallas, Inc.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 20, 2020, on our consideration of Senior Citizens of Greater Dallas, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Senior Citizens of Greater Dallas, Inc.'s internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
August 20, 2020

Senior Citizens of Greater Dallas, Inc.

Statements of Financial Position

March 31, 2020 and 2019

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 468,562	\$ 213,764
Investments	3,020,380	3,686,899
Accounts receivable	144,784	57,534
Grants receivable	314,577	248,654
Pledges receivable	1,500	46,500
Prepaid expenses	6,845	6,580
	3,956,648	4,259,931
PROPERTY AND EQUIPMENT, AT COST		
Land	1,381,450	1,381,450
Building	5,350,429	5,350,429
Furniture and fixtures	631,933	543,212
Transportation equipment	199,154	199,154
Website development	7,500	7,500
	7,570,466	7,481,745
Accumulated depreciation	(2,739,350)	(2,591,826)
	4,831,116	4,889,919
TOTAL ASSETS	\$ 8,787,764	\$ 9,149,850
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 97,318	\$ 101,055
Accrued expenses	29,755	50,230
Deferred support	521,018	495,314
	648,091	646,599
Total current liabilities	648,091	646,599
Total liabilities	648,091	646,599
NET ASSETS		
Without donor restrictions		
Undesignated	6,162,941	6,355,021
Board designated	8,681	8,681
With donor restrictions	1,968,051	2,139,549
	8,139,673	8,503,251
Total net assets	8,139,673	8,503,251
TOTAL LIABILITIES AND NET ASSETS	\$ 8,787,764	\$ 9,149,850

The Notes to Financial Statements are an integral part of these statements.

Senior Citizens of Greater Dallas, Inc.

Statement of Activities Year Ended March 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT			
Contributions	\$ 1,625,027	\$ 366,852	\$ 1,991,879
United Way allocation	218,750	-	218,750
Special events	1,692,015	-	1,692,015
Investment return	(368,858)	-	(368,858)
Federal and state grants	1,880,183	-	1,880,183
Local grants	280,975	-	280,975
Other	311,672	-	311,672
Net assets released from restrictions	538,350	(538,350)	-
Total revenues, gains and other support	6,178,114	(171,498)	6,006,616
EXPENSES			
Program services	5,443,820	-	5,443,820
Fund raising	609,368	-	609,368
Management and general	317,006	-	317,006
Total expenses	6,370,194	-	6,370,194
CHANGE IN NET ASSETS	(192,080)	(171,498)	(363,578)
NET ASSETS, beginning of year	6,363,702	2,139,549	8,503,251
NET ASSETS, end of year	\$ 6,171,622	\$ 1,968,051	\$ 8,139,673

The Notes to Financial Statements are an integral part of this statement.

Senior Citizens of Greater Dallas, Inc.

Statement of Activities Year Ended March 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT			
Contributions	\$ 1,763,498	\$ 143,500	\$ 1,906,998
United Way allocation	275,000	-	275,000
Special events	1,474,585	-	1,474,585
Investment return	30,055	-	30,055
Federal and state grants	1,726,018	-	1,726,018
Local grants	215,322	-	215,322
Other	307,170	-	307,170
Net assets released from restrictions	647,683	(647,683)	-
	6,439,331	(504,183)	5,935,148
EXPENSES			
Program services	5,425,425	-	5,425,425
Fund raising	597,603	-	597,603
Management and general	451,162	-	451,162
	6,474,190	-	6,474,190
CHANGE IN NET ASSETS	(34,859)	(504,183)	(539,042)
NET ASSETS, beginning of year	6,398,561	2,643,732	9,042,293
NET ASSETS, end of year	\$ 6,363,702	\$ 2,139,549	\$ 8,503,251

The Notes to Financial Statements are an integral part of this statement.

Senior Citizens of Greater Dallas, Inc.
Statement of Functional Expenses
Year Ended March 31, 2020

	Management and General	Fund Raising	Program Services											Total	Total
			AGE	Caregiver Support	Guardianship and Money Management	Long-Term Care Ombudsman	Legacy Corps	RSVP Fund	FGP Fund	Elder Care Partners	SCP Fund	Elder Financial Safety Center	Public Education		
Compensation and benefits	\$ 97,552	\$ 386,082	\$ 153,145	\$ 235,209	\$ 392,084	\$ 620,843	\$ 67,634	\$ 226,447	\$ 278,629	\$ 270,381	\$ 218,986	\$ 998,974	\$ 75,141	\$ 3,537,473	\$ 4,021,107
Program costs	29,431	5,249	1,977	9,132	13,475	46,484	22,028	19,564	410,058	9,709	279,945	554,412	1,805	1,368,589	1,403,269
Management	189,688	66,757	25,297	32,334	56,737	91,129	15,425	58,250	35,099	22,931	37,169	128,846	9,930	513,147	769,592
Marketing	335	403	383	13,667	13	579	72	866	196	215	185	2,587	5,848	24,611	25,349
Special events	-	150,877	-	-	-	-	-	-	-	-	-	-	-	-	150,877
	<u>\$ 317,006</u>	<u>\$ 609,368</u>	<u>\$ 180,802</u>	<u>\$ 290,342</u>	<u>\$ 462,309</u>	<u>\$ 759,035</u>	<u>\$ 105,159</u>	<u>\$ 305,127</u>	<u>\$ 723,982</u>	<u>\$ 303,236</u>	<u>\$ 536,285</u>	<u>\$ 1,684,819</u>	<u>\$ 92,724</u>	<u>\$ 5,443,820</u>	<u>\$ 6,370,194</u>

The Notes to Financial Statements are an integral part of this statement.

Senior Citizens of Greater Dallas, Inc.
Statement of Functional Expenses
Year Ended March 31, 2019

	Management and General	Fund Raising	Program Services											Total	Total
			AGE	Caregiver Support	Guardianship and Money Management	Long-Term Care Ombudsman	Legacy Corps	RSVP Fund	FGP Fund	Elder Care Partners	SCP Fund	Elder Financial Safety Center	Public Education		
Compensation and benefits	\$ 151,552	\$ 423,918	\$ 169,743	\$ 259,846	\$ 402,923	\$ 609,651	\$ 11,335	\$ 225,227	\$ 271,505	\$ 220,254	\$ 178,492	\$ 1,102,108	\$ 71,395	\$ 3,522,479	\$ 4,097,949
Program costs	24,040	5,474	16,186	16,041	22,399	52,857	2,898	30,610	461,572	7,189	282,644	565,535	885	1,458,816	1,488,330
Management	275,206	33,979	19,596	24,789	49,482	72,841	3,844	45,956	28,292	21,620	47,716	108,553	8,148	430,837	740,022
Marketing	364	157	126	119	216	334	-	450	118	726	118	10,263	823	13,293	13,814
Special events	-	134,075	-	-	-	-	-	-	-	-	-	-	-	-	134,075
	<u>\$ 451,162</u>	<u>\$ 597,603</u>	<u>\$ 205,651</u>	<u>\$ 300,795</u>	<u>\$ 475,020</u>	<u>\$ 735,683</u>	<u>\$ 18,077</u>	<u>\$ 302,243</u>	<u>\$ 761,487</u>	<u>\$ 249,789</u>	<u>\$ 508,970</u>	<u>\$ 1,786,459</u>	<u>\$ 81,251</u>	<u>\$ 5,425,425</u>	<u>\$ 6,474,190</u>

The Notes to Financial Statements are an integral part of this statement.

Senior Citizens of Greater Dallas, Inc.

Statements of Cash Flows

Years Ended March 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (363,578)	\$ (539,042)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	147,525	221,977
Realized and unrealized (gains) losses on investments	378,973	(29,999)
Decrease (increase) in		
Accounts receivable	(87,250)	38,617
Grants receivable	(65,923)	(87,102)
Pledges receivable	45,000	(5,500)
Prepaid expenses	(265)	(3,536)
Other assets	-	10,317
Increase (decrease) in		
Accounts payable	(3,737)	(7,948)
Deferred revenue	25,704	132,303
Deferred compensation	-	(10,317)
Accrued expenses	(20,475)	17,415
	<u>55,974</u>	<u>(262,815)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of investments	1,886,825	1,178,024
Purchase of investments	(1,589,164)	(867,786)
Investment income reinvested	(10,115)	(56)
Capital expenditures	(88,722)	(55,532)
	<u>198,824</u>	<u>254,650</u>
Net cash provided by investing activities	<u>198,824</u>	<u>254,650</u>
Increase (decrease) in cash and cash equivalents	254,798	(8,165)
CASH AND CASH EQUIVALENTS, beginning of year	<u>213,764</u>	<u>221,929</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 468,562</u>	<u>\$ 213,764</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Non-cash donations of goods and services	<u>\$ 303,087</u>	<u>\$ 329,228</u>

The Notes to Financial Statements are an integral part of these statements.

Senior Citizens of Greater Dallas, Inc.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Senior Citizens of Greater Dallas, Inc. (dba The Senior Source) (the Organization) is a nonprofit organization that serves as an umbrella for eleven programs for older adults. The Organization's mission is to enhance the overall quality of life and empower all older adults in greater Dallas to thrive. The Organization is supported primarily through donor contributions, grants, and the United Way.

Financial Statement Presentation

The Organization has adopted Financial Accounting Standards Board (FASB) guidance on not-for-profit financial statement presentation. Under this guidance, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets without Donor Restrictions

Net assets that are not restricted as to use or for which the donor-imposed restrictions have been fulfilled are reported as net assets without donor restrictions in the accompanying financial statements. Net assets without donor restrictions are used to meet the Organization's overall objectives of improving the quality of life of older adults in the greater Dallas area through protection, eldercare, advocacy, volunteerism, and employment services. Board designated net assets include assets designated for the building.

Net Assets with Donor Restrictions

Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time. The income from the investment of these net assets is similarly restricted if specified by the donor. When the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributions

The Organization has adopted FASB guidance on accounting for contributions received and contributions made. In accordance with FASB guidance, contributions received are recorded as restricted support depending on the existence or nature of any donor restrictions. Under FASB guidance, the Organization reports donor restricted contributions as restricted support and then reclassifies to net assets without donor restrictions upon expiration of the related restrictions.

Estimates

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

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less at the date acquired to be cash equivalents.

Senior Citizens of Greater Dallas, Inc.

Notes to Financial Statements

Fair Value Measurements

The Organization's financial assets carried at fair value have been classified for disclosure purposes only based on a hierarchy defined by FASB Accounting Standards Codification 820 *Fair Value Measurement Disclosure* (FASB ASC 820), in accordance with accounting principles generally accepted in the United States of America (GAAP). FASB ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value and establishes a measurement framework.

FASB ASC 820 emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, FASB establishes a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs may include quoted prices for similar assets and liabilities in active markets, as well as inputs that are observable for the asset or liability (other than quoted prices), such as interest rates, foreign exchange rates, and yield curves that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity. In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Organization's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability.

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period the promise is received.

An allowance has not been provided as management considers all pledges receivable to be fully collectible based upon review of donors.

Donated Materials, Services, and Facilities

Contributions of property are recorded at appraised or fair market value as of the date of the gift. The value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

Special Event Revenue

Special event revenue is deferred and recognized in the period in which the event occurs.

Senior Citizens of Greater Dallas, Inc.

Notes to Financial Statements

Functional Expenses

The costs of providing the Organization's various programs and other activities have been summarized between program services, management and general, and fundraising. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on time and effort.

Programs maintained by the Organization are the following:

- The AGE (Advocacy Group for Elders) Program represents resources used to involve staff members and an advisory council of older adults in assessing aging needs in the community and working with groups and individuals to advocate for services and programs that will benefit older people. In addition, AGE educates hundreds of people each year through debates, newsletters and community education forums.
- The Caregiver Support Program represents resources used to address concerns often associated with aging through supportive counseling, facilitating problem solving, decision making and planning, thus enhancing the quality of lives of older adults.
- The Guardianship and Money Management Program represents resources used to visit clients. The agency has been appointed by the courts as guardian for incapacitated older adults residing in Dallas, Denton, Collin, Kaufman, Rockwall, and Hunt counties. The Money Management component represents resources to offer assistance to low income elderly who have difficulty managing their financial situations.
- The Long-Term Care Ombudsman Program represents resources used to assist in staff ombudsmen and state certified volunteer ombudsmen working together to improve conditions for nursing home residents and to promote residents' rights.
- Legacy Corps is a community-based caregiver support program by and for veterans of all wars and veteran/military families. Legacy Corps utilizes highly trained volunteers to provide a range of caregiver support services including in-home respite care, information, and linkages to other community support systems, hospital to home transition services, and other related services
- The Retired and Senior Volunteer Program (RSVP) represents resources used for activities conducted by persons over age 55 who volunteer their time to various programs and tasks in their communities.
- The Foster Grandparent Program (FGP) represents resources used for activities whereby eligible older adults receive stipend income and are paired with troubled, disabled, or hospitalized children who need the comfort, wisdom, and example of an older adult.
- The Organization, in keeping with its mission, conducts a fee-for-service program called ElderCare Partners. Comprehensive and personalized services are provided for older adults and their caregivers. Services include: development of a written care plan outlining the older adult's needs; professional assessment to examine the level of care needed through an evaluation of living arrangements and memory screening; implementation and coordination of the customized care plan; vendor recommendations and counseling and crisis intervention. The ElderCare Partners program ended on March 31, 2020.
- The Senior Companion Program (SCP) represents resources used for eligible older adults to receive stipend income for going into the homes of the elderly and frail and performing light housekeeping functions, companionship and meal preparation.

Senior Citizens of Greater Dallas, Inc.

Notes to Financial Statements

- The Elder Financial Safety Center (the Center) represents resources to involve the Organization and collaborating partners: the Dallas Probate Courts and the Dallas County District Attorney's Office; in identifying, preventing, and prosecuting those entities, or entity that exploits the financial security and safety of older adults. Financial safety includes housing, health choices, transportation, fraud, and exploitation. The Center is made possible by the W.W. Caruth, Jr. Foundation at Communities Foundation of Texas.
- Public Education represents resources used for educating the community on age-related needs.

Property and Equipment

Furniture, fixtures, and equipment are stated at cost of acquisition or fair market value as of the date of the donation.

Depreciation is provided for under the straight-line method at rates sufficient to amortize the related costs over the estimated useful lives of the respective assets, which is thirty years for the building and five years for the remaining long lived assets. Depreciation expense for the periods ended March 31, 2020 and 2019 was \$147,525 and \$221,977, respectively.

Repairs and maintenance are charged to expense as incurred; major improvements and capital expenditures greater than \$1,000 are capitalized.

Concentration of Credit Risk

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

Federal Income Taxes

The Organization is a tax exempt entity for federal income tax purposes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal income tax is reflected in the accompanying financial statements.

Tax positions taken related to the Organization's tax exempt status, unrelated business activities taxable income and deductibility of expenses and other miscellaneous tax positions have been reviewed, and management is of the opinion that material positions taken by the Organization would more than likely than not be sustained by examination. Accordingly, the Organization has not recorded an income tax liability for uncertain tax benefits. As of March 31, 2020, the Organization's tax years 2017 through 2019 remain subject to examination.

Subsequent Events

Subsequent events have been evaluated through August 20, 2020, the date the financial statements were available to be issued. During this period, there were no material recognizable subsequent events, except as follows:

Senior Citizens of Greater Dallas, Inc.

Notes to Financial Statements

Deferred Compensation Plan

In April 2020, the Organization entered into a deferred compensation plan with a member of management.

COVID-19

The extent of the operational and financial impact the COVID-19 pandemic may have on the Organization has yet to be determined and is dependent on its duration and spread, any related operational restrictions and the overall economy. Since many of the Organization's programs are done face-to-face, the Organization has had to shift its entire client service model to a virtual one. While virtual communication has proven to be as effective or more so with some programs, our Senior Volunteer and Long-Term Care Ombudsman programs have been and will continue to be significantly impacted by social distancing and safety requirements. The Organization has followed CDC and Dallas County guidelines for its employees, volunteers and clients and will continue to do so for the duration of the pandemic. The Organization is unable to accurately predict how COVID-19 will affect the results of its operations because the virus's severity and the duration of the pandemic are uncertain. On April 14, 2020, we presented our 2020-21 budget to our finance and executive committees and it was approved by the board on April 28th. We assumed a larger operating revenue decline and hoped to hold expenses flat to the prior year. Declines in fundraising events, individual and corporate contributions were projected as a result of the COVID-19 social and economic impact. We did not anticipate a significant change in expenses. During the first quarter and as we anticipated in our budget, there was a reduction in our operations during the pandemic and therefore a decrease in our total revenue compared to last year. The impact of COVID-19 on the balance of the fiscal year will be heavily determined on the outcome of our annual fundraising luncheon that has already been delayed by 3 months.

In April 2020, The Senior Source received a SBA Payroll Protection Program loan of \$764,200. This loan amount is designated to cover up to 24 weeks of employee payroll costs and utility costs. The Senior Source applied for this loan with the expectation that those costs will be forgiven, in accordance with the loan forgiveness guidance by the SBA. Any amount not forgiven or used will be returned to the lender/SBA.

Note 2. Marketable Securities and Investments

In accordance with FASB guidance on accounting for investments held by not-for-profit organizations, investments in equity securities with readily determinable fair values are recorded at fair market value. The carrying values of financial instruments reported on the Organization's statement of financial position approximate fair value. The difference, if any, between the cost basis and the fair value of each investment represents unrealized appreciation or depreciation. Changes in unrealized appreciation and depreciation during a period are reported in the statement of activities.

Senior Citizens of Greater Dallas, Inc.

Notes to Financial Statements

Information related to the investments measured at fair value at March 31, 2020 is 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)
Mutual funds				
Domestic equity	\$ 823,436	\$ 823,436	\$ -	\$ -
International equity	243,240	243,240	-	-
Fixed income	1,166,379	1,166,379	-	-
Alternative strategy	316,948	316,948	-	-
Other	470,377	470,377	-	-
Total Investments	<u>\$ 3,020,380</u>	<u>\$ 3,020,380</u>	<u>\$ -</u>	<u>\$ -</u>

Information related to the investments measured at fair value at March 31, 2019 is 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)
Mutual funds				
Domestic equity	\$ 536,890	\$ 536,890	\$ -	\$ -
International equity	886,162	886,162	-	-
Fixed income	1,514,473	1,514,473	-	-
Alternative strategy	70,221	70,221	-	-
Other	679,153	679,153	-	-
Total Investments	<u>\$ 3,686,899</u>	<u>\$ 3,686,899</u>	<u>\$ -</u>	<u>\$ -</u>

Investments consisted of the following at March 31:

	2020	
	Cost	Fair Value
Mutual funds		
Domestic equity	\$ 1,025,015	\$ 823,436
International equity	297,924	243,240
Fixed income	1,224,180	1,166,379
Alternative strategy	343,629	316,948
Other	537,289	470,377
	<u>\$ 3,428,037</u>	<u>\$ 3,020,380</u>

Senior Citizens of Greater Dallas, Inc.

Notes to Financial Statements

	2019	
	Cost	Fair Value
Mutual funds		
Domestic equity	\$ 496,418	\$ 536,890
International equity	871,043	886,162
Fixed income	1,548,457	1,514,473
Alternative strategy	96,840	70,221
Other	661,722	679,153
	\$ 3,674,480	\$ 3,686,899

The following is a description of the valuation methodologies used to measure and disclose fair value of investments:

Marketable equity and fixed income securities reported as level 1 are determined by reference to quoted market prices for investments listed on an exchange or over-the-counter market.

The following schedule summarizes the investment return in the statement of activities:

	2020	2019
Interest income	\$ 10,115	\$ 56
Net realized and unrealized gain (loss)	(378,973)	29,999
	\$ (368,858)	\$ 30,055

Note 3. Pledges Receivable

Pledges receivable represent unconditional promises to give. At March 31, 2020 and 2019, these pledges receivable are due to be collected as follows:

	2020	2019
Within one year	\$ 1,500	\$ 46,500
	\$ 1,500	\$ 46,500

The Organization determines the fair value of assets through application of FASB guidance on fair value measurements. There were no pledges receivable requiring fair value measurements at March 31, 2020.

Note 4. Line of Credit

On July 29, 2019, the Organization executed a variable rate revolving line of credit with Bank of Texas with an initial borrowing base of \$250,000. The loan agreement matures on July 29, 2020, and the note bears interest at a fluctuating rate per annum at the WSJ prime rate plus 1.00%, with interest payable monthly. The interest rate as of March 31, 2020 was 6.50%. During fiscal year 2020, the Organization did not draw on the revolving line of credit. As of March 31, 2020, the outstanding principal amount on the line of credit was \$0 and the Organization was in compliance with all loan covenants.

Senior Citizens of Greater Dallas, Inc.

Notes to Financial Statements

Note 5. Retirement Plan

The Organization established a thrift plan November 1, 1992. Each participant may elect to contribute a percentage of annual compensation provided that the contribution does not exceed the lesser of the maximum permitted by the Internal Revenue Code of \$19,000 per year or the individual's maximum excludable allowance. The Organization contributes 5% of each eligible participant's salary. The Organization makes an additional contribution equal to 100% of the eligible participants' contribution amount up to 3%. The value of the account attributable to the participant's own contributions is always fully and immediately vested. The value of the participant's account attributable to the Organization's contributions is 25% vested after one year of service, 50% vested after two years of service, and 100% vested after three years of service. During the years ended March 31, 2020 and 2019, the Organization incurred \$158,347 and \$217,508, respectively, of expense for retirement contributions.

Note 6. Net Assets

Net assets with donor restrictions at March 31, 2020 and 2019 and 2019 consist of:

	<u>2020</u>	<u>2019</u>
Building operations	\$ 1,874,549	\$ 1,996,049
Program services	93,502	143,500
	<u>\$ 1,968,051</u>	<u>\$ 2,139,549</u>

Note 7. Special Events

Special events consisted of the following for the year ended March 31, 2020:

	<u>Spirit Luncheon</u>	<u>TI Golf Tournament</u>	<u>JUB Jam</u>	<u>Sage Society</u>	<u>2020 Total</u>
Revenues	\$ 1,324,020	\$ 19,870	\$ 104,336	\$ 243,789	\$ 1,692,015
Expenses	(109,875)	(125)	(16,545)	(24,332)	(150,877)
	<u>\$ 1,214,145</u>	<u>\$ 19,745</u>	<u>\$ 87,791</u>	<u>\$ 219,457</u>	<u>\$ 1,541,138</u>

Special events consisted of the following for the year ended March 31, 2019:

	<u>Spirit Luncheon</u>	<u>TI Golf Tournament</u>	<u>JUB Jam</u>	<u>Sage Society</u>	<u>2019 Total</u>
Revenues	\$ 1,137,798	\$ 20,865	\$ 89,520	\$ 226,402	\$ 1,474,585
Expenses	(108,875)	(227)	(7,645)	(17,328)	(134,075)
	<u>\$ 1,028,923</u>	<u>\$ 20,638</u>	<u>\$ 81,875</u>	<u>\$ 209,074</u>	<u>\$ 1,340,510</u>

Senior Citizens of Greater Dallas, Inc.

Notes to Financial Statements

Note 8. Liquidity

The Organization has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 90 days of normal operating expenses. Of the \$3.5 million of financial assets available within 1 year of the balance sheet date, \$2 million is restricted for building maintenance. The remaining \$1.5 million is not subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The total amount consists of cash of \$468 thousand and short-term investments of \$3 million. The pledges receivable are subject to implied time restrictions but are expected to be collected within one year.