

**THE SENIOR CONNECTION
OF MONTGOMERY COUNTY, INC.**

Financial Report

JUNE 30, 2009

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Independent Auditor's Report

Board of Directors

THE SENIOR CONNECTION OF MONTGOMERY COUNTY, INC.

Wheaton, Maryland

I have audited the accompanying statement of financial position of **THE SENIOR CONNECTION OF MONTGOMERY COUNTY, INC.** as of June 30, 2009, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with US generally accepted auditing standards. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **THE SENIOR CONNECTION OF MONTGOMERY COUNTY, INC.** as of June 30, 2009, and the changes in its net assets, and its cash flows for the year then ended in conformity with US generally accepted accounting principles.

November 13, 2009

THE SENIOR CONNECTION OF MONTGOMERY COUNTY, INC. STATEMENT OF FINANCIAL POSITION June 30, 2009

ASSETS

Current Assets

Cash and equivalents	\$ 15,431
Contract and Grant receivables-Unrestricted	25,979
Contract and Grant receivables-Temporarily restricted	-
Prepaid expenses	713
Total Current Assets	<u>42,123</u>

Property and Equipment

Furniture and equipment	56,663
Less, Accumulated depreciation	36,964
Total Property and Equipment	<u>19,699</u>

Other Asset

Organization expenses	206
Total Other Asset	<u>206</u>

Total Assets

\$ 62,028

LIABILITIES AND NET ASSETS

Current Liabilities

Line of credit payable	\$ -
Equipment Line of credit payable	-
Accounts payable	722
Accrued payroll and taxes	8,251
Total Current Liabilities	<u>8,973</u>

Total Liabilities

<u>8,973</u>

Net Assets

Unrestricted	53,055
Temporarily restricted	-
Permanently restricted	-
Total Net Assets	<u>53,055</u>

Total Liabilities and Net Assets

<u><u>\$ 62,028</u></u>

See Notes to Financial Statements.

THE SENIOR CONNECTION OF MONTGOMERY COUNTY, INC.
STATEMENT OF ACTIVITIES
 Year ended June 30, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Totals</u>
Support and Revenue				
Contract work-Montgomery County	\$ 105,696	\$ -	\$ -	\$ 105,696
Contributions, including in-kind of \$2,425	31,492	-	-	31,492
Government and Foundation grants	4,500	-	-	4,500
Fundraising income	6,085	-	-	6,085
Fundraising expenses	(2,339)	-	-	(2,339)
Total Support and Revenue	145,434	-	-	145,434
Expenses				
Program Services	131,623	-	-	131,623
Management and General	25,024	-	-	25,024
Fundraising	16,156	-	-	16,156
Total Expenses	172,803	-	-	172,803
Excess of expenses over support and revenue	(27,369)	-	-	(27,369)
Net Assets released from restrictions				
Restrictions satisfied by expenditures and expiration of time	25,000	(25,000)	-	-
Change in Net Assets	(2,369)	(25,000)	-	(27,369)
Net Assets				
July 1, 2008	55,424	25,000	-	80,424
June 30, 2009	\$ 53,055	\$ -	\$ -	\$ 53,055

See Notes to Financial Statements.

THE SENIOR CONNECTION OF MONTGOMERY COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
 Year ended June 30, 2009

	<u>Program Services</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Totals</u>
Salaries	\$ 89,158	\$ 12,249	\$ 12,249	\$ 113,656
Payroll taxes	9,229	1,268	1,268	11,765
Audit	-	4,439	-	4,439
Telephone-Other	2,785	383	383	3,551
Volunteer recognition	3,318	-	-	3,318
Consulting	2,542	349	349	3,240
Substitute help	2,664	-	-	2,664
Equipment maintenance	1,984	273	273	2,530
Copying	-	2,514	-	2,514
In-kind contributions	2,425	-	-	2,425
Payroll preparation	1,797	247	247	2,291
Insurance	1,738	239	239	2,216
Rent	1,554	213	213	1,980
Computer software	1,479	203	203	1,885
Office supplies	1,403	192	192	1,787
Telephone-Internet	1,248	172	172	1,592
Postage	1,162	152	152	1,466
Travel and parking	734	101	101	936
Organization dues	-	820	-	820
Publications/Website expenses	556	77	77	710
Miscellaneous	-	506	-	506
Training & Conferences	378	-	-	378
Equipment-Other	278	38	38	354
Bank fees	-	329	-	329
Board expenses	-	255	-	255
Interest and finance charges	-	5	-	5
Expenses before depreciation	126,432	25,024	16,156	167,612
Depreciation	5,191	-	-	5,191
Total expenses	\$ 131,623	\$ 25,024	\$ 16,156	\$ 172,803

See Notes to Financial Statements.

THE SENIOR CONNECTION OF MONTGOMERY COUNTY, INC.

STATEMENT OF CASH FLOWS Year ended June 30, 2009

Cash provided (used) by operating activities	
Change in Net Assets	\$ (27,369)
Adjustments to reconcile Change in Net Assets to net cash provided (used) by operating activities	
Depreciation	5,191
Changes in current assets and liabilities	
Contract and Grant receivables-Unrestricted	(19,389)
Contract and Grant receivables-Temporarily restricted	25,000
Prepaid expenses	(164)
Accounts payable	247
Accrued payroll and taxes	3,511
Net cash provided (used) by operating activities	<u>(12,973)</u>
Cash provided (used) by investing activities	
Acquisitions of property and equipment	<u>(6,323)</u>
Net cash provided (used) by investing activities	<u>(6,323)</u>
Decrease in cash and cash equivalents	(19,296)
Cash and cash equivalents	
July 1, 2008	<u>34,727</u>
June 30, 2009	<u>\$ 15,431</u>

See Notes to Financial Statements.

THE SENIOR CONNECTION OF MONTGOMERY COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

1. Nature of business and significant accounting policies

THE SENIOR CONNECTION OF MONTGOMERY COUNTY, INC. ("TSC" or "the organization") was established in 1992 to provide access to resources which aid in the conservation, preservation, safety and quality of life of older adults in Bethesda, Chevy Chase, Kensington, and other areas of Montgomery County, Maryland.

This year 597 mostly low-income residents received services on 4,801 occasions at no charge to the recipient through the organization's two major programs:

Volunteer Escorted Driver Program - Volunteers use their personal vehicles to escort individuals on medical appointments, grocery shopping, and other errands.

Friendly Visitation and Telephone Reassurance - Volunteers visit and provide support to individuals who are sometimes isolated in their own homes.

TSC is a non-stock corporation classified as a public charity which is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code.

A summary of the significant accounting policies of **THE SENIOR CONNECTION OF MONTGOMERY COUNTY, INC.** is as follows:

Concentration - During the year ended June 30, 2009, TSC received approximately 73% of its support and revenue from a contract with Montgomery County, Maryland. This agreement constituted 100% of the June 30, 2009 balance of unrestricted Contract and Grant receivables as reported on the accompanying Statement of Financial Position.

Promises to Give - Contributions are recognized when the donor makes a promise to give to TSC that is, in substance, unconditional. All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Estimates - The preparation of financial statement in conformity with US 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 statement and the reported amounts of revenue, support and expenses during the reporting period. Actual results could differ from those estimates.

Property, equipment and depreciation - Property and equipment, consisting of furniture and office equipment, is recorded at cost for those items which are purchased. Donated items are recorded at fair market value at the date of donation. Only single items valued in excess of \$500 (whether purchased or donated) are capitalized and depreciated. Depreciation is recognized using the straight-line method over estimated useful lives of ten years.

Non-cash contributions - Material non-cash contributions in the form of furniture and equipment or other assets are valued by management at estimated fair market value and recorded in the statement of activities.

It is TSC's policy not to assign a value to non-cash contributions that are considered to be consumable. An example of such contributions would be office supplies. The amount of such non-cash contributions does not have a material effect on the expenditures as a whole but they would represent a significant portion of total supplies.

Cash and equivalents - For purposes of the statement of cash flows, TSC considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. During the year ended June 30, 2009, TSC had no such cash equivalents.

Allocation of expenses - Expenses are allocated to program services, management, and fundraising categories based on a review of operations and the type of expense incurred.

Contract and Grant receivables - Contract receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through adjustments to the gross revenue recorded and an adjustment to the contract receivable balance based on its assessment of the current status of individual receivables.

Subsequent Events - In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through November 13, 2009, the date the financial statements were available to be issued.

2. Temporarily Restricted Net Assets

During the year ended June 30, 2008, TSC received notification that it had been awarded a \$50,000 grant from The Harry and Jeannette Weinberg Foundation, Inc. ("the Foundation") for general operating support and to help outreach efforts.

The grant proceeds were to be received in two \$25,000 payments; in April of 2008 and 2009. Because the second payment is only contingent upon TSC providing certain stipulated reports to the Foundation, the entire grant amount is deemed to be an unconditional promise and was recognized in the year ended June 30, 2008.

Because of the time restriction, the second half of the grant was initially reported in the statement of financial position as temporarily restricted. This amount was released from the restriction at the time the second payment was due.

3. Line of credit and Equipment Line of credit

The organization has negotiated the availability of an unsecured \$5,000 revolving line-of-credit with a local financial institution. Borrowings under this arrangement bear interest at 4.0% (four percent) over the bank's prime rate as determined from time to time.

The organization has also negotiated the availability of an unsecured \$5,000 revolving line-of-credit with a national computer supplier. Borrowings under this arrangement bear interest at 15.99%.

4. Lease

TSC entered into a four-year license agreement with Montgomery County, Maryland for office space beginning in April, 1999. Minimum payments required under this agreement are \$1,980 per calendar year. The agreement expired in March, 2003 and converted to a month-to-month contract under identical terms and conditions. No dollar value has been attributed to the difference between market value and the actual cost incurred under this arrangement. However, if a value were determinable, it is likely that such amount would be material.

5. Contributed services

TSC receives significant amounts of contributed volunteer services; generally in the form of service on the Board of Directors, and direct program participation. These services do not meet the applicable criteria for recording in the financial statements. However, if they were recorded, the amounts would be material to the financial statements as a whole.

6. Corporate reorganization

In January, 2003 **Seniors' Interfaith Resource Center, Inc.** ("SIRC") merged with **Allied Silver Spring Interfaith Services for Seniors Today** ("ASSISST"), also an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Effective May 30, 2003 SIRC, the surviving legal entity, formally changed its name to **THE SENIOR CONNECTION OF MONTGOMERY COUNTY, INC.** Financial operations were combined effective July 1, 2003.

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