

**ELDERS IN ACTION**  
**FINANCIAL STATEMENTS**  
Year Ended June 30, 2017



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**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Elders In Action  
Portland, Oregon

We have audited the accompanying financial statements of Elders In Action (a non-profit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 Elders In Action as of June 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

***Report on Summarized Comparative Information***

We have previously audited the Elders In Action's 2016 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated January 20, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Portland, Oregon  
January 22, 2018

**ELDERS IN ACTION**

**STATEMENT OF FINANCIAL POSITION**

**June 30, 2017**

(With Comparative Totals as of June 30, 2016)

**ASSETS**

	<u>2017</u>	<u>2016</u>
Cash and cash equivalents	\$ 459,880	\$ 468,511
Investments	137,740	37,558
Contracts receivable	66,491	90,415
Prepaid expenses	10,850	10,735
Bequest receivable	<u>37,017</u>	<u>-</u>
<b>Total assets</b>	<b><u>\$ 711,978</u></b>	<b><u>\$ 607,219</u></b>

**LIABILITIES AND NET ASSETS**

Accounts payable	\$ 2,049	\$ 1,203
Accrued payroll and related taxes	19,365	16,300
Accrued vacation	<u>8,332</u>	<u>6,443</u>
<b>Total liabilities</b>	<b><u>29,746</u></b>	<b><u>23,946</u></b>
Net assets		
Unrestricted		
Board designated reserve	442,000	137,558
Innovation fund	37,588	-
Available for operations	<u>162,627</u>	<u>442,715</u>
Total unrestricted	642,215	580,273
Temporarily restricted	<u>40,017</u>	<u>3,000</u>
<b>Total net assets</b>	<b><u>682,232</u></b>	<b><u>583,273</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 711,978</u></b>	<b><u>\$ 607,219</u></b>

See notes to financial statements.

**ELDERS IN ACTION**

**STATEMENT OF ACTIVITIES**

**Year Ended June 30, 2017**

(With Comparative Totals for the Year Ended June 30, 2016)

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<b>Revenues and other support</b>				
Contracts - Multnomah County	\$ 197,968	\$ -	\$ 197,968	\$ 225,201
Contracts - City of Portland	155,704	-	155,704	159,519
Grant - Victims of Crime Act	55,152	-	55,152	29,750
Grant - Washington County	20,000	-	20,000	20,000
Other grants and contracts	31,000	50,000	81,000	26,018
Contributions	40,336	-	40,336	44,424
Bequests	79,335	37,017	116,352	163,735
Special events, net of direct costs of \$24,612 and \$2,093, respectively	60,284	-	60,284	57,302
Program fees	11,522	-	11,522	10,507
Interest income	1,168	-	1,168	861
Miscellaneous	1,468	-	1,468	143
In-kind	10,582	-	10,582	10,582
	664,519	87,017	751,536	748,042
Net assets released from restrictions	50,000	(50,000)	-	-
<b>Total revenues and other support</b>	<b>714,519</b>	<b>37,017</b>	<b>751,536</b>	<b>748,042</b>
<b>Expenses</b>				
Program services				
Personal Advocacy	224,496	-	224,496	237,301
Education and Outreach	88,593	-	88,593	154,474
Civic Involvement	103,495	-	103,495	-
Age Friendly	76,821	-	76,821	44,434
Total Program Services	493,405	-	493,405	436,209
Supporting services				
Administration	105,722	-	105,722	54,722
Fund-raising	53,450	-	53,450	51,561
<b>Total expenses</b>	<b>652,577</b>	<b>-</b>	<b>652,577</b>	<b>542,492</b>
<b>Change in net assets</b>	<b>61,942</b>	<b>37,017</b>	<b>98,959</b>	<b>205,550</b>
Net assets, beginning of year	580,273	3,000	583,273	377,723
<b>Net assets, end of year</b>	<b>\$ 642,215</b>	<b>\$ 40,017</b>	<b>\$ 682,232</b>	<b>\$ 583,273</b>

See notes to financial statements.

**ELDERS IN ACTION**

**STATEMENT OF FUNCTIONAL EXPENSES**

**Year Ended June 30, 2017**

(With Comparative Totals for the Year Ended June 30, 2016)

	<b>PROGRAM SERVICES</b>					<b>SUPPORTING SERVICES</b>			<b>Total</b>	
	<b>Personal Advocacy</b>	<b>Education and Outreach</b>	<b>Civic Involvement</b>	<b>Age Friendly</b>	<b>Total</b>	<b>Adminis- tration</b>	<b>Fund- raising</b>	<b>2017</b>	<b>2016</b>	
	Personnel expenses	\$ 169,397	\$ 69,454	\$ 84,823	\$ 60,914	\$ 384,588	\$ 69,585	\$ 41,866	\$ 496,039	\$ 374,486
Professional services	10,263	4,213	5,139	3,690	23,305	5,905	844	30,054	56,893	
Advertising and promotion	79	-	10	60	149	634	-	783	897	
Licenses, taxes, fees	-	-	35	50	85	772	50	907	1,194	
Office supplies	402	89	97	658	1,246	2,714	947	4,907	5,267	
Dues and subscriptions	179	200	55	585	1,019	1,160	595	2,774	2,327	
Printing	641	12	401	64	1,118	4,218	1,297	6,633	3,909	
Postage	29	12	-	-	41	1,623	564	2,228	2,042	
Telephone	3,467	1,424	1,737	1,247	7,875	1,423	857	10,155	9,930	
Occupancy	14,454	5,934	7,238	5,198	32,824	5,930	3,572	42,326	41,219	
Equipment rental	5,657	576	1,495	580	8,308	2,152	269	10,729	11,095	
Insurance	1,703	701	1,102	601	4,107	903	-	5,010	4,714	
Travel	7,275	700	815	133	8,923	766	29	9,718	4,060	
Education and conference	3,720	1,021	75	-	4,816	625	-	5,441	1,976	
Volunteer support	1,841	733	473	377	3,424	1,817	-	5,241	3,616	
Bank fees	-	-	-	4	4	3,828	2,537	6,369	5,860	
Other	99	878	-	14	991	1,667	23	2,681	2,425	
In-kind personnel services	5,290	2,646	-	2,646	10,582	-	-	10,582	10,582	
	<b>\$ 224,496</b>	<b>\$ 88,593</b>	<b>\$ 103,495</b>	<b>\$ 76,821</b>	<b>\$ 493,405</b>	<b>\$ 105,722</b>	<b>\$ 53,450</b>	<b>\$ 652,577</b>	<b>\$ 542,492</b>	

See notes to financial statements.

**ELDERS IN ACTION**

**STATEMENT OF CASH FLOWS**

**Year Ended June 30, 2017**

(With Comparative Totals for the Year Ended June 30, 2016)

	<b>2017</b>	<b>2016</b>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 98,959	\$ 205,550
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Changes in assets and liabilities:		
Contracts receivable	23,924	(15,292)
Prepaid expenses	(115)	(707)
Bequest receivable	(37,017)	-
Accounts payable	846	(1,275)
Accrued payroll and related taxes	3,065	4,335
Accrued vacation	1,889	416
Deferred revenue	-	(15,000)
<b>Net cash provided by (used in) operating activities</b>	<b>91,551</b>	<b>178,027</b>
<b>Cash flows from investing activities:</b>		
Purchase of investments	<b>(100,182)</b>	<b>(115)</b>
<b>Net change in cash</b>	<b>(8,631)</b>	<b>177,912</b>
Cash and cash equivalents, beginning of year	468,511	290,599
<b>Cash and cash equivalents, end of year</b>	<b>\$ 459,880</b>	<b>\$ 468,511</b>

See notes to financial statements.

## ELDERS IN ACTION

### NOTES TO FINANCIAL STATEMENTS

June 30, 2017

#### NOTE A – DESCRIPTION OF ORGANIZATION

Elders in Action is an Oregon nonprofit consumer organization committed to advocating for the needs of older adults, developing new services and resources, and providing public education to improve quality of life for older adults primarily in the greater Portland, Oregon area. The Organization's primary source of funding is government contracts with Multnomah County and the City of Portland as well as small foundation grants, donations, and program fees.

The Organization works towards ensuring and promoting:

- Quality of life for older adults never depends on their age
- Personal one-on-one support and advocacy
- Educational programs and awareness about our aging population
- Meaningful civic and volunteer engagement

Our vision is to create a vibrant community that promotes opportunities for all older adults to be active and engaged to the extent possible, and contribute in meaningful ways to the health and vitality of our community.

Key program services of Elders in Action are:

- **Personal Advocate Program** – Our Personal Advocate program matches trained volunteers with older adults, age 60+, to help them solve problems that jeopardize their health, well-being and ability to live independently. Our information and referral line provides older adults with a personal and friendly point of contact as well as thoroughly researched referrals connecting them to resources in the community.
- **Education and Outreach** – This program trains volunteers to educate the community on topics of concern to older adults such as: becoming empowered consumers, fraud awareness and prevention, how to improve their home safety, fall prevention and Mastery of Aging Well.
- **Civic Involvement Program and Advocacy** – Elders in Action engages older adults in volunteer and civic engagement opportunities around the issues that most impact older adults in our community– including housing insecurity, elder abuse, transportation, and isolation. This program helps empower elders to be self-advocates and advise community decision makers about issues that concern them most.
- **Age Friendly** – This program engages the business community in creating public spaces and services with the older adult in mind which helps foster aging in place.



## ELDERS IN ACTION

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2017

#### NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### **Basis of Presentation**

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

- Unrestricted net assets represent net assets not subject to donor-imposed stipulations.
- Temporarily restricted net assets represent net assets subject to donor-imposed stipulations that may or will be met by actions of the Organization and/or the passage of time.
- Permanently restricted net assets represent net assets subject to donor-imposed stipulations that they be permanently maintained.

Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

##### **Cash and Cash Equivalents**

The Organization classifies as cash and cash equivalents all checking, savings, money market accounts, and all investments maturing within 90 days from the date of purchase.

##### **Contributions**

All contributions are considered available for the Organization's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as temporarily or permanently restricted support and increase the respective class of net assets. When a restriction expires, temporarily restricted net assets are reclassified as unrestricted.

##### **Investments**

Investments are carried at fair value. Net change in the fair value of investments, which consists of the realized gains or losses and the unrealized appreciation (decline) of those investments, is shown in the Statement of Activities. Interest income is accrued as earned. Investments consist of bank certificates of deposit.

Assets and liabilities recorded at fair value are measured under a three-level hierarchy. The classification of assets and liabilities within the hierarchy is based on whether the inputs to the valuation methodology used for measurement are observable or unobservable. Observable inputs reflect market-derived or market-based information obtained from independent sources, while unobservable inputs reflect estimates about market data.

## ELDERS IN ACTION

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2017

#### NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Investments (Continued)

Valuation techniques used to measure fair value are prioritized into the following hierarchy:

**Level 1** – Quoted prices in active markets for identical assets. Assets in this level typically include publicly traded equities and mutual fund investments.

**Level 2** – Quoted prices for similar assets in active or inactive markets, or inputs derived from observable market data such as published interest rates and yield curves, over-the-counter derivatives, market modeling, or other valuation methodologies.

**Level 3** – Unobservable inputs that reflect management's assumptions and best estimates based on available data.

Realized and unrealized gains and losses from investments are reported in the Statement of Activities as they occur. There have been no changes in valuation techniques and related inputs.

At June 30, 2017, the Organization held certificates of deposit valued at \$137,740. These are the only assets subject to fair value measurements, and are considered Level 2 investments.

##### Estimates

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

##### Furniture and Equipment

Furniture and equipment is recorded at cost when purchased or fair market value when donated. Depreciable assets over \$1,000 are capitalized. Depreciation is computed on the estimated useful lives of the assets from 5 to 10 years using the straight-line method. Maintenance and repairs are expensed when incurred. Betterments and renewals are capitalized.

##### Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and contracts receivable. The Organization places its cash with financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). Amounts in excess of FDIC coverage are not insured.

The Organization's contracts receivable consist primarily of reimbursement requests to government agencies and are unsecured. Such receivables are generally due within 30 days. The Organization does not typically experience losses on these accounts.

##### Accounts Receivable

Receivables are recognized as services are performed and expenditures are made. The Organization does not assess finance charges on receivables.

**ELDERS IN ACTION**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2017**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accounts Receivable (Continued)**

The Organization uses the allowance method to account for uncollectible receivables. The allowance for doubtful accounts is estimated by management based on various factors, including past history and current economic conditions. The Organization considers accounts receivable to be fully collectible at June 30, 2017; thus no allowance for doubtful accounts has been established.

**Income Taxes**

The Organization has been approved as a tax-exempt organization under the Internal Revenue Code 501(c)(3) and applicable state laws. Accordingly, no provision for income taxes is included in the accompanying financial statements. The Organization does not believe it has unrelated trade or business income in excess of \$1,000.

**Allocation of Functional Expenses**

The cost of providing the various programs and other activities has been summarized in the Statement of Activities. Certain costs, including salaries and administrative operating expenses, have been allocated among the programs and supporting services benefited.

**Prior Year Summarized Financial Information**

The financial statements include certain prior-year summarized comparative information in total but not by net asset class or natural expense classification by function. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2016, from which the summarized information was derived.

**NOTE C – BEQUEST RECEIVABLE**

Contributions, including bequests, are recorded as receivables and revenue when an unconditional promise to pay is received. The Organization distinguishes between contributions received for each net asset category in accordance with donor-imposed restrictions. Pledges are recorded after being discounted to the anticipated net present value of the future cash flows.

Pledges are expected to be realized in the following periods:

In one year or less	\$	4,121
Between one and five years		16,484
Between six and ten years		<u>20,605</u>
		41,210
Less:		
Discount, at 2%		<u>(4,193)</u>
	\$	<u><u>37,017</u></u>

**ELDERS IN ACTION**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2017**

**NOTE D – IN-KIND CONTRIBUTIONS**

During the year ended June 30, 2017, a grant provided in-kind personnel services valued at \$10,582 which benefited all programs.

In addition, volunteers provided many of the Organization’s daily personnel needs for routine operations. No amounts have been recognized in the accompanying statements for these additional in-kind services because they did not meet the criteria for recognition.

The Organization estimates that 135 volunteers, ages 22 to 88 contributed 9,055 hours over the course of the last year, valued at \$218,678 for the year ended June 30, 2017 on various projects ranging from:

- Telephone information and assistance
- Personal 1:1 problem solving with older adults in need
- Advocacy, advisory and community working groups
- Business community development and engagement
- Court navigation
- Service-learning projects
- Education and outreach –aging well, elder abuse, transportation, housing, financial issues
- General office assistance and reception
- Newsletter article writing and production

**NOTE E – BOARD DESIGNATED FUND**

The Board has designated the use of unrestricted net assets for the support of existing programs as well as special projects as follows:

Operating reserve	\$ 442,000
Program innovation	<u>37,588</u>
	<u>\$ 479,588</u>

**NOTE F – RETIREMENT PLAN**

The Organization has established a Simple-IRA retirement plan available to all employees that provides for an employer matching contribution up to 3% of compensation. The retirement expense under the plan amounted to \$9,504 for the year ended June 30, 2017.

**ELDERS IN ACTION**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2017**

**NOTE G – LEASE COMMITMENT**

The Organization amended a lease agreement for office space which expires December 31, 2019. \$20,310 is due in the year ending June 30, 2018 under this lease.

Future commitments under the office space lease are as follows:

<u>Year Ending June 30,</u>	
2018	\$ 40,620
2019	40,620
2020	<u>20,310</u>
	<u>\$ 101,550</u>

**NOTE H – ECONOMIC RELIANCE**

A substantial portion of the Organization's revenues and support is derived from contracts for services with the City of Portland and Multnomah County.

Multnomah County has indicated it will fund the Organization at about \$43,740 in fiscal year ending June 30, 2018, about 20% of the amount it typically funded in prior years. The Organization plans to seek alternative funding in order to maintain services that were previously funded by the County.

**NOTE I – TEMPORARILY RESTRICTED NET ASSETS**

Net assets temporarily restricted by donors for specific purposes at June 30, 2017 consist of \$3,000 from Multnomah Bar Foundation.

Net assets temporarily restricted for timing at June 30, 2017 consist of \$37,017 from a bequest.

**NOTE J – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through January 22, 2018, which is the date the financial statements were available to be issued.