

**ELDERS IN ACTION**  
**FINANCIAL STATEMENTS**  
**Year Ended June 30, 2016**



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**TABLE OF CONTENTS**

	<u>Page</u>
<b>INDEPENDENT AUDITORS' REPORT</b>	1
<b>FINANCIAL STATEMENTS</b>	
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6-11



**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
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, 2016, 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, 2016, 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 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 29, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Kern & Thompson, LLC*

Portland, Oregon  
January 20, 2017

**ELDERS IN ACTION**

**STATEMENT OF FINANCIAL POSITION**

**June 30, 2016**

(With Comparative Totals as of June 30, 2015)

**ASSETS**

	<b>2016</b>	<b>2015</b>
Cash and cash equivalents	\$ 468,511	\$ 290,599
Investments	37,558	37,443
Contracts receivable	90,415	75,123
Prepaid expenses	10,735	10,028
<b>Total assets</b>	<b>\$ 607,219</b>	<b>\$ 413,193</b>

**LIABILITIES AND NET ASSETS**

Accounts payable	\$ 1,203	\$ 2,478
Accrued payroll and related taxes	16,300	11,965
Accrued vacation	6,443	6,027
Deferred revenue	-	15,000
<b>Total liabilities</b>	<b>23,946</b>	<b>35,470</b>
<b>Net assets</b>		
Unrestricted		
Board designated	137,558	37,443
Available for operations	442,715	332,530
Total unrestricted	580,273	369,973
Temporarily restricted	3,000	7,750
<b>Total net assets</b>	<b>583,273</b>	<b>377,723</b>
<b>Total liabilities and net assets</b>	<b>\$ 607,219</b>	<b>\$ 413,193</b>

See notes to financial statements.

**ELDERS IN ACTION**

**STATEMENT OF ACTIVITIES**

**Year Ended June 30, 2016**

(With Comparative Totals for the Year Ended June 30, 2015)

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
<b>Revenues and other support</b>				
Contracts - Multnomah County	\$ 225,201	\$ -	\$ 225,201	\$ 216,291
Contracts - City of Portland	159,519	-	159,519	155,415
Grant - Victims of Crime Act	29,750	-	29,750	25,188
Grant - Washington County	20,000	-	20,000	5,000
Other grants	23,018	3,000	26,018	79,721
Contributions	44,424	-	44,424	37,985
Bequests	163,735	-	163,735	-
Special events, net of direct costs of \$2,093 and \$8,728, respectively	57,302	-	57,302	40,951
Program fees	10,507	-	10,507	8,125
Interest income	861	-	861	792
Miscellaneous	143	-	143	342
In-kind	10,582	-	10,582	10,582
	745,042	3,000	748,042	580,392
Net assets released from restrictions	7,750	(7,750)	-	-
<b>Total revenues and other support</b>	<b>752,792</b>	<b>(4,750)</b>	<b>748,042</b>	<b>580,392</b>
<b>Expenses</b>				
Program services				
Personal advocacy	237,301	-	237,301	241,783
Commission	154,474	-	154,474	133,275
Age Friendly	44,434	-	44,434	69,734
Total Program Services	436,209	-	436,209	444,792
Supporting services				
Administration	54,722	-	54,722	31,324
Fund-raising	51,561	-	51,561	33,430
<b>Total expenses</b>	<b>542,492</b>	<b>-</b>	<b>542,492</b>	<b>509,546</b>
<b>Change in net assets</b>	<b>210,300</b>	<b>(4,750)</b>	<b>205,550</b>	<b>70,846</b>
Net assets, beginning of year	369,973	7,750	377,723	306,877
<b>Net assets, end of year</b>	<b>\$ 580,273</b>	<b>\$ 3,000</b>	<b>\$ 583,273</b>	<b>\$ 377,723</b>

See notes to financial statements.

**ELDERS IN ACTION**

**STATEMENT OF FUNCTIONAL EXPENSES**

**Year Ended June 30, 2016**

(With Comparative Totals for the Year Ended June 30, 2015)

	<b>PROGRAM SERVICES</b>				<b>SUPPORTING SERVICES</b>		<b>Total</b>	
	<b>Personal Advocacy</b>	<b>Commission</b>	<b>Age Friendly</b>	<b>Total</b>	<b>Adminis- tration</b>	<b>Fund- raising</b>	<b>2016</b>	<b>2015</b>
Salaries	\$ 144,458	\$ 90,913	\$ 26,827	\$ 262,198	\$ 25,375	\$ 11,822	\$ 299,395	\$ 289,659
Payroll taxes	12,978	8,549	2,495	24,022	2,371	1,079	27,472	30,437
Employee benefits	22,976	14,459	4,267	41,702	4,039	1,878	47,619	49,354
Professional services	10,453	12,328	2,818	25,599	8,203	23,091	56,893	34,873
Advertising and promotion	34	184	471	689	208	-	897	745
Licenses, taxes, fees	428	-	-	428	593	173	1,194	711
Office supplies	1,381	1,389	892	3,662	1,013	592	5,267	1,642
Dues and subscriptions	779	250	630	1,659	272	396	2,327	3,356
Printing	1,336	412	113	1,861	774	1,274	3,909	2,861
Postage	794	658	182	1,634	204	204	2,042	2,452
Telephone	4,469	2,880	794	8,143	893	894	9,930	9,721
Occupancy	18,548	11,953	14	30,515	5,352	5,352	41,219	40,348
Equipment rental	6,199	3,026	302	9,527	858	710	11,095	10,283
Insurance	2,120	1,367	377	3,864	425	425	4,714	4,578
Travel	1,762	1,354	188	3,304	631	125	4,060	5,454
Education and conference	40	340	662	1,042	559	375	1,976	861
Volunteer support	2,018	999	464	3,481	135	-	3,616	4,953
Bank fees	-	-	49	49	2,751	3,060	5,860	5,167
Other	1,238	767	243	2,248	66	111	2,425	1,509
In-kind personnel services	5,290	2,646	2,646	10,582	-	-	10,582	10,582
	<b>\$ 237,301</b>	<b>\$ 154,474</b>	<b>\$ 44,434</b>	<b>\$ 436,209</b>	<b>\$ 54,722</b>	<b>\$ 51,561</b>	<b>\$ 542,492</b>	<b>\$ 509,546</b>

See notes to financial statements.

**ELDERS IN ACTION**

**STATEMENT OF CASH FLOWS**

**Year Ended June 30, 2016**

(With Comparative Totals for the Year Ended June 30, 2015)

	<b>2016</b>	<b>2015</b>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 205,550	\$ 70,846
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Changes in assets and liabilities:		
Contracts receivable	(15,292)	(14,669)
Prepaid expenses	(707)	3,258
Accounts payable	(1,275)	(98)
Accrued payroll and related taxes	4,335	(3,230)
Accrued vacation	416	(5,608)
Deferred revenue	(15,000)	15,000
<b>Net cash provided by (used in) operating activities</b>	<b>178,027</b>	<b>65,499</b>
<b>Cash flows from investing activities:</b>		
Purchase of investments	(115)	(98)
<b>Net change in cash</b>	<b>177,912</b>	<b>65,401</b>
Cash and cash equivalents, beginning of year	290,599	225,198
<b>Cash and cash equivalents, end of year</b>	<b>\$ 468,511</b>	<b>\$ 290,599</b>

See notes to financial statements.

## ELDERS IN ACTION

### NOTES TO FINANCIAL STATEMENTS

June 30, 2016

#### 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 Advocacy/Speakers Bureau** – Trained volunteers offer personal one-on-one assistance to older adults who need help navigating systems, problem solving or linking to community resources. Volunteers can assist individuals living in Multnomah, Clackamas, and Washington counties in the areas of housing, healthcare, crime, and elder abuse. Volunteers also provide a variety of informational presentations on important topics affecting older adults on how to stay safe and get connected to services.
- **Elders in Action Commission** is a citizen advisory group of Multnomah County/City of Portland residents. The Commission advises Multnomah County Aging and Disability Services, Multnomah County, and the City of Portland on the concerns and needs of older adults in our community. With strong advocacy, this dynamic group has shaped the aging policy on all levels.
- **Age-Friendly Business Certification (formally known as Elder Friendly)** – Since 1993, the Age Friendly Business Certification program has been helping businesses better serve the older customer by using our nationally recognized standard of service. Every organization is evaluated by older adult volunteers who provided feedback to the business on how they can best serve the older customer. We certify a wide range of businesses from retail, healthcare, government, to non-profit service providers. The elder population represents a large and growing consumer group. Implications for business are clear: Improved access to older consumers and knowledge of their needs are important to be competitive in business today.



## ELDERS IN ACTION

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2016

#### 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, 2016

#### 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, 2016, the Organization held a certificate of deposit valued at \$37,558. This is the only assets subject to fair value measurements, and is 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.

**ELDERS IN ACTION**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2016**

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

**Accounts Receivable**

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

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, 2016; 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, 2015, from which the summarized information was derived.

**NOTE C – IN-KIND CONTRIBUTIONS**

During the year ended June 30, 2016, 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.

**ELDERS IN ACTION**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2016**

**NOTE C – IN-KIND CONTRIBUTIONS (CONTINUED)**

The Organization estimates that 150 volunteers, ages 22 to 88 contributed 13,016 hours over the course of the last year, valued at \$296,114 for the year ended June 30, 2016 on various projects ranging from:

- Telephone information and referral
- Service-learning projects
- General outreach assistance
- General office assistance and reception
- Newsletter article writing and production
- Volunteer trainings
- Advocacy, advisory and community working groups
- Business community development and engagement

**NOTE D – 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 revenue	\$ 100,000
Program innovation	<u>37,558</u>
	<u>\$ 137,558</u>

**NOTE E – 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 \$6,797 for the year ended June 30, 2016.

**NOTE F – LEASE COMMITMENT**

The Organization has a lease agreement for office space which expires December 31, 2016. \$20,743 is due in the year ending June 30, 2017 under this lease.

**NOTE G – 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.

**ELDERS IN ACTION**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2016**

**NOTE H – TEMPORARILY RESTRICTED NET ASSETS**

Net assets temporarily restricted by donors for specific purposes at June 30, 2016 consist of \$3,000 from Multnomah Bar Foundation.

**NOTE I – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through January 20, 2017, which is the date the financial statements were available to be issued.