

PLEASANT HILL SENIOR'S CLUB

PLEASANT HILL, CALIFORNIA

FINANCIAL STATEMENTS

JUNE 30, 2011

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Pleasant Hill Senior's Club
Pleasant Hill, California

We have audited the accompanying statement of assets, liabilities and net assets – modified cash basis of Pleasant Hill Senior's Club (an unincorporated nonprofit organization) as of June 30, 2011, and the related statement of revenues, expenses, and changes in net assets – modified cash basis, statement of operating revenues – modified cash basis, and statement of operating expenses – modified cash basis for the fiscal year then ended. These financial statements are the responsibility of Pleasant Hill Senior's Club management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. 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.

As described in Note 2, these financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pleasant Hill Senior's Club as of June 30, 2011, and the results of its operations and changes in net assets for the fiscal year then ended, on the basis of accounting described in Note 2.

R. J. Ricciardi, Inc.

R.J. Ricciardi, Inc.
Certified Public Accountants

San Rafael, California
December 12, 2011

Pleasant Hill Senior's Club
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS -
MODIFIED CASH BASIS
June 30, 2011

ASSETS

Current assets:

Cash and investments	\$ 500,229
Total current assets	<u>500,229</u>

Non-current assets:

Equipment	32,724
Building improvements	229,002
Accumulated depreciation	<u>(225,358)</u>
Total non-current assets	<u>36,368</u>

Total assets	<u>\$ 536,597</u>
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NET ASSETS

Unrestricted	\$ 493,088
Permanently restricted	<u>43,509</u>
Total net assets	<u>\$ 536,597</u>

The accompanying notes are an integral part of these financial statements.

Pleasant Hill Senior's Club
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS -
MODIFIED CASH BASIS

For the Fiscal Year Ended June 30, 2011

	Unrestricted	Permanently Restricted	Total
Revenues:			
Operating revenues	\$ 156,499	\$ 5,936	\$ 162,435
Total revenues	156,499	5,936	162,435
Expenses:			
Operating expenses	145,046	-	145,046
Total expenses	145,046	-	145,046
Changes in net assets	11,453	5,936	17,389
Net assets, beginning of period	481,635	37,573	519,208
Net assets, end of period	\$ 493,088	\$ 43,509	\$ 536,597

The accompanying notes are an integral part of these financial statements.

Pleasant Hill Senior's Club
STATEMENT OF OPERATING REVENUES - MODIFIED CASH BASIS
For the Fiscal Year Ended June 30, 2011

Operating revenues:	
Active Sports	\$ 3,720
Bingo	31,590
Boutique	1,687
Cards & games	9,799
Care management	13,838
Center supplies	2,535
Interest	4,472
Lunches	9,410
Membership dues	525
Senior club	46,302
Pancakes	5,359
Rentals	3,135
Special activity	360
Transportation	17,172
Trips	8,297
Miscellaneous	4,234
Total operating revenues	<u>\$ 162,435</u>

The accompanying notes are an integral part of these financial statements.

Pleasant Hill Senior's Club
STATEMENT OF OPERATING EXPENSES - MODIFIED CASH BASIS
For the Fiscal Year Ended June 30, 2011

Operating expenses:		
Active Sports	\$	3,267
Bingo		8,763
Boutique		1,055
Cards & games		6,407
Care management		829
Center supplies		23,244
Depreciation		12,238
Office		47,421
Pancakes		45
Lunches		13,631
Rentals		1,394
Transportation		18,316
Trips		8,256
Miscellaneous		180
Total operating expenditures	\$	<u>145,046</u>

The accompanying notes are an integral part of these financial statements.

Pleasant Hill Senior's Club
NOTES TO FINANCIAL STATEMENTS - MODIFIED CASH BASIS

June 30, 2011

NOTE 1 - ORGANIZATIONS AND NATURE OF ACTIVITIES

Pleasant Hill Senior's Club was established in 1956 as an unincorporated nonprofit organization sponsored by the Pleasant Hill Recreation and Park District. Its purpose is to provide friendship, fellowship, recreation, education, and social activities for its members. Membership is open to all adults 50 years and over, regardless of race or creed.

Pleasant Hill Senior's Club is governed by a board of thirteen Directors who hold regularly scheduled meetings once a month. A general business meeting is also held once a month. The Directors are elected by a majority vote of the general membership for a one-year term.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The accompanying financial statements have been prepared on the modified cash basis of accounting. That basis differs from U.S. generally accepted accounting principles primarily because Pleasant Hill Senior's Club does not recognize dues receivable from members, accounts payable to vendors, and their related effects on the change in net assets.

B. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statement of Not-for-Profit Organizations*. Under SFAS No. 117, Pleasant Hill Senior's Club is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

C. Unrestricted Net Assets

Unrestricted net assets generally result from revenues obtained by providing services, receiving unrestricted contributions, and receiving interest and dividends from income-producing assets. The only limits on the use of unrestricted net assets are the broad limits resulting from the nature of Pleasant Hill Senior's Club and the purposes specified in its Articles of Incorporation or Bylaws and limits resulting from contractual agreements entered into by Pleasant Hill Senior's Club in the course of its operations.

D. Property and Equipment

Property and equipment have been recorded at cost and depreciated using the straight-line method over their estimated useful lives. Building improvements have a useful life of 7-15 years and equipment and furniture have a useful life of 3-7 years. Pleasant Hill Senior's Club capitalizes all expenses for property and equipment in excess of \$5,000 and a useful life of more than one year. Depreciation expense for June 30, 2011 was \$12,238.

E. Income Taxes

Pleasant Hill Senior's Club is exempt under the Pleasant Hill Recreation and Park District tax exempt status and therefore, no provision for income tax has been made.

Pleasant Hill Senior's Club
NOTES TO FINANCIAL STATEMENTS - MODIFIED CASH BASIS
 June 30, 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

F. Restrictions on Net Assets

Permanently restricted net assets consist of donations to Pleasant Hill Foundation Senior Center Endowment Fund. The fund's investments are to be held indefinitely, the income from which is expendable to support the Senior Center activities.

G. Use of Estimates

The financial statements include amounts based on informed estimates and judgments of management with consideration given to materiality. Actual results could differ from those estimates.

H. Risk Management

Pleasant Hill Senior's Club is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; and errors and omissions for which Pleasant Hill Recreation and Park District carries insurance.

I. Donations

Donations represent contributions to the program from private organizations and individuals and are recognized as support when received.

NOTE 3 - CASH AND INVESTMENTS

A. Cash

Cash and investments as of June 30, 2011, amounted to \$500,229 and were deposited in the following depositories:

	<u>Carrying Amount</u>	<u>Market Value</u>	<u>Investment Risk</u>
Cash in Bank	\$ 315,836	\$ 315,836	N/A
East Bay Community Foundation Investment Pool	43,509	43,509	N/A
Funds Invested – Local Agency Investment Fund (LAIF)	140,884	140,884	Not Rated
Totals	<u>\$ 500,229</u>	<u>\$ 500,229</u>	

The bank balance as of June 30, 2011 was \$315,836 held at different banks and the entire amount was covered by the Federal Deposit Insurance Corporation (FDIC). The difference between the bank balance and the carrying amount is due to reconciling items such as deposits in transit and outstanding checks.

Pleasant Hill Senior's Club
NOTES TO FINANCIAL STATEMENTS - MODIFIED CASH BASIS
June 30, 2011

NOTE 3 - CASH AND INVESTMENTS (concluded)

B. Investments

At June 30, 2011, Pleasant Hill Senior's Club had no investments other than pooled cash of \$140,884 in the State of California's Local Agency Investment Fund. The Local Agency Investment Fund through the State Treasurer's Office invests State and local agency funds in a Pooled Money Investment Account. The State Treasurer is responsible for the control and safekeeping of all securities purchased. Of the \$66.3 billion invested by all public entities involved in the pool, 89.98% is invested in non-derivative financial products and 10.02% is in structured notes and asset backed securities.

C. Restricted Cash and Investments

Restricted cash and investments consist of donations to the Pleasant Hill Foundation Senior Center Endowment Fund. As of June 30, 2011, the amount of \$43,509 was recorded as restricted cash and investments.

NOTE 4 - PROPERTY AND EQUIPMENT

A summary of property and equipment for the year ended June 30, 2011 is as follows:

	<u>6/30/11</u>
Equipment	\$ 32,724
Building improvements	<u>229,002</u>
Subtotal	261,726
Accumulated depreciation	<u>(225,358)</u>
Property and equipment, net	<u>\$ 36,368</u>