

# **YARNELL REGIONAL COMMUNITY CENTER**

Financial Statements  
Year Ended December 31, 2016

**YARNELL REGIONAL COMMUNITY CENTER**  
**For the Year Ended December 31, 2016**

Table of Contents

	<u>Pages</u>
Independent Auditor's Report	1-2
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7-9



**TIENSVOLD SHAFFER WENZEL CPAS PLLC**

**141 S. McCormick St., Ste. 104**

**Prescott, AZ 86303-4730**

**Tel: 928-445-5777**

**Fax: 928-445-0411**

**[www.tswcpas.com](http://www.tswcpas.com)**

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Yarnell Regional Community Center  
Yarnell, Arizona

We have audited the accompanying statement of financial position of Yarnell Regional Community Center, a not-for-profit organization, as of December 31, 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 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.

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 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 judgement, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Yarnell Regional Community Center, as of December 31, 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying statement of functional expenses is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated November, 2016, on our consideration of Yarnell Regional Community Center'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 to describe the scope of our testing 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 Yarnell Regional Community Center's internal control over financial reporting and compliance.

*Tiensoeld, Shaffer, Wenzel CPAS PLLC*

Prescott, Arizona

November 16, 2017

# YARNELL REGIONAL COMMUNITY CENTER

## Statement of Financial Position

As of December 31, 2016

Assets	
Current assets	
Cash and cash equivalents, unrestricted	\$ 14,254
Cash and cash equivalents, restricted (Meals-On-Wheels)	12,990
Total cash and cash equivalents	<u>27,244</u>
Property and equipment	
Net of accumulated depreciation, \$38,522	95,055
Other assets	
	<u>3,448</u>
Total assets	<u>125,747</u>
Liabilities and Net Assets	
Net Assets	
Unrestricted net assets	112,757
Restricted net assets	12,990
Total net assets	<u>125,747</u>
Total liabilities and net assets	\$ <u>125,747</u>

See accompanying notes and independent auditor's report.

**YARNELL REGIONAL COMMUNITY CENTER**

Statement of Activities

Year Ended December 31, 2016

Unrestricted Net Assets

Support and revenues

Thrift Store	\$	44,933
Grants		17,300
Contributions		10,955
Fundraising		2,040
Membership		1,180
Total unrestricted support and revenues		<u>76,408</u>

Temporarily Restricted Net Assets

Restricted revenues, Meals-On-Wheels

NACOG	38,993
Congregate meals	21,173
Donations	6,008
Total temporarily restricted net assets	<u>66,174</u>

Expenses

Program services	42,161
Supporting services	
Management and general	89,789
Total expenses	<u>131,950</u>

Increase in net assets	10,632
Net assets at the beginning of the year	<u>115,115</u>
Net assets at end of year	<u>\$ 125,747</u>

See accompanying notes and independent auditor's report.



# YARNELL REGIONAL COMMUNITY CENTER

## Statement of Functional Expenses

Year Ended December 31, 2016

	Program Services		Total
	Unrestricted	Restricted	Expenses
Payroll	\$ 49,276	\$ -	\$ 49,276
Utilities	14,679	-	14,679
Supplies	8,940	35,513	44,453
Insurance	5,456	-	5,456
Repairs	3,151	4,596	7,747
Professional Fees	5,805	-	5,805
Mileage	-	1,792	1,792
Administration	1,483	-	1,483
Security	663	260	923
Fundraising	335	-	335
Total expenses	\$ <u>89,789</u>	\$ <u>42,161</u>	\$ <u>131,950</u>

See accompanying notes and independent auditor's report.

# YARNELL REGIONAL COMMUNITY CENTER

## Statement of Cash Flows

Year Ended December 31, 2016

Cash flows from operating activities	
Net increase in net assets	\$ 10,632
Adjustments to reconcile net increase in net assets to net cash provided by operating activities	
Depreciation	5,966
Increase in other assets	(2,999)
Increase in accounts payable	3,190
Net cash provided by operating activities	<u>16,789</u>
 Cash flows from financing activities	
Acquisition of property and equipment	<u>(2,860)</u>
Net cash used by financing activities	<u>(2,860)</u>
 Net increase in cash	13,929
 Cash at beginning of year	<u>13,315</u>
 Cash at end of year	<u>\$ 27,244</u>

See accompanying notes and independent auditor's report.



**Yarnell Regional Community Center**  
Notes to Financial Statements  
December 31, 2016

**Note 1 – Nature of activities and summary of significant accounting policies**

Nature of Activities

Yarnell Regional Community Center is a not-for-profit corporation formed in the State of Arizona in 2001. The community center is a regional community service organization offering the Meals-On-Wheels nutrition and wellness visit program, weekday lunches, a thrift shop, local event promotion, senior well-being workshops, health checks and various social activities. It is the meeting place for county and other government agencies in addition to hosting community meetings.

Its mission is to provide services and programs that promote health and wellness and enhance the quality of life throughout the greater community. The service area is the Yarnell Region including the communities of Yarnell, Glen Ilah, Peebles Valley, Congress, Kirkland, Skull Valley, Wilhoit and surrounding areas.

The community center's support is derived from grants and other state or county assistance programs, public contributions, thrift store sales, memberships and fundraising events.

Basis of Presentation

The financial statement presentation follows the recommendation of the Financial Accounting Standards Board Accounting Standards Codification (the Codification). As required by the Non-Profit Entities topic of the Codification, *Financial Statements of Not-for-Profit Organizations*, the Organization is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted, temporarily restricted, and permanently restricted.

The Organization's only restricted net assets are those derived for specific use in the Meals-On-Wheels program through their partner agency, NACOG (Northern Arizona Council of Governments) Area Agency on Aging. The Meals-On-Wheels program funding is restricted to those activities authorized under the program guidelines.

Cash and cash equivalents

Cash and cash equivalents include those accounts held with banking or investment institutions that have maturities of 90 days or less. All cash and cash equivalents are held in institutions with federally insured deposits. As of December 31, 2016, the balances in those accounts do not exceed the federally insured limits.

See independent auditor's report.

**Yarnell Regional Community Center**  
Notes to Financial Statements  
December 31, 2016

**Note 1 – Nature of activities and summary of significant accounting policies**  
**(continued)**

Use of Estimates

The preparation of the 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.

Receivables

Receivables are short-term unconditional promises of giving due within one year. Contribution receivables are recorded when received. When applicable, long term promises are receivables in future periods. All current promises are deemed fully collectable and no allowance for doubtful accounts has been established by the Community Center.

Meals-On-Wheels Restricted Assets

The Meals-On-Wheels restricted assets consist of cash deposits to be used for the preparation and distribution of meals in accordance with the Meals-On-Wheels program. A separate cash account is used for the restricted cash and is used when the restriction is satisfied by the preparation and distribution of meals. The account is a federally insured deposit account and as of December 31, 2016, the combined cash balances of all accounts do not exceed the federally insured account limit.

Other Assets

Other assets consist mainly of donated items for sale in the thrift store. Donated items generally include articles of clothing, household goods, furniture, appliances, books, toys and other miscellaneous items. Other assets may also include utility deposits and prepaid expenses that may be used in a future year.

Income Taxes

The Organization is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation.

**Note 2 – Property and Equipment**

Property and equipment are stated at cost as of the date of acquisition, less any accumulated depreciation. Donated assets are recognized as support at their estimated fair value at time of receipt. Such donations are reported as unrestricted support unless the donor has restricted the asset for a

See independent auditor's report.

**Yarnell Regional Community Center**  
Notes to Financial Statements  
December 31, 2016

**Note 2 – Property and Equipment (continued)**

specific purpose. As of December 31, 2016, there are no recorded donor restrictions on any property and equipment.

The Organization capitalizes property and equipment with a cost of \$500 or more. Depreciation is calculated using the straight-line method over useful lives of two to thirty-nine years. Property and equipment consists of the following at December 31, 2016:

Non-depreciable:

Land	\$ 12,000
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Depreciable:

Buildings, sheds and containers	105,801
Equipment	<u>15,776</u>
Total property and equipment	133,577
Less accumulated depreciation	<u>(38,522)</u>
Net property and equipment	\$ <u>95,055</u>

**Note 3 – Net assets**

Temporarily restricted net assets are released from restriction by satisfying all donor restrictions. Net assets consist of the following at December 31, 2016:

Unrestricted net assets	\$ 112,757
Restricted assets, Meals-On-Wheels	<u>12,990</u>
Total net assets	\$ <u>125,747</u>

**Note 4 – In-Kind Contributions**

In-kind contributions consist mainly of donated services with no determinable value. In-kind donations that have a determinable value are recorded at fair value as a contribution received.

**Note 5 – Subsequent Events**

Management of the community center evaluated events and transactions subsequent to December 31, 2016, for potential recognition or disclosure in the financial statements. Subsequent events were reviewed through November 16, 2017 which is the date the financial statements were available to be issued. The Community Center had no additional subsequent events that required recognition or disclosure in the financial statements for the year ended December 31, 2016.

See independent auditor's report.