

**LEHIGH COUNTY SENIOR CITIZENS, INC.
D/B/A LEHIGH VALLEY ACTIVE LIFE
(A Not-for-Profit Corporation)**

**Financial Report
December 31, 2016**

**LEHIGH COUNTY SENIOR CITIZENS, INC.
D/B/A LEHIGH VALLEY ACTIVE LIFE
(A Not-for-Profit Corporation)**

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SNYDER, DAITZ & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
1617 JOHN F. KENNEDY BLVD., STE. 720
PHILADELPHIA, PA 19103-1821
(215) 563-6141
FAX (215) 563-6620

350 RIVER ROAD
SUITE B14
NEW HOPE, PA 18938

DENNIS NATALI, CPA
JOSEPH P. LEONARD, CPA

Independent Auditors' Report

Board of Directors
Lehigh County Senior Citizens, Inc.
d/b/a Lehigh Valley Active Life
Allentown, PA

We have audited the accompanying financial statements of Lehigh County Senior Citizens, Inc. d/b/a Lehigh Valley Active Life (a nonprofit corporation) which comprise the statement of financial position as of December 31, 2016, and the related statements of activities, cash flows, and functional expenses 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 auditor's 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 Lehigh County Senior Citizens, Inc. d/b/a Lehigh Valley Active Life as of December 31, 2016, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Statements

The financial statements of Lehigh County Senior Citizens, Inc. d/b/a Lehigh Valley Active Life as of December 31, 2015 were audited by other auditors whose report dated June 24, 2016 expressed an unmodified audit opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Lehigh County Grants and the schedule of Occupancy Expenses on pages 14-15 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 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Snyder, Daitz, & Company

SNYDER, DAITZ & COMPANY
Philadelphia, PA

July 18, 2017

LEHIGH COUNTY SENIOR CITIZENS, INC.
D/B/A LEHIGH VALLEY ACTIVE LIFE
(A Not-for-Profit Corporation)

STATEMENT OF FINANCIAL POSITION

December 31, 2016
(With Summarized Totals for 2015)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total December 31,	
				2016	2015
ASSETS					
CURRENT ASSETS					
Cash					
Regular Accounts	\$ 760,938	\$ 24,906	0	\$ 785,844	\$ 17,505
Invested Cash	0	0	\$ 5,641	5,641	5,285
Petty Cash	75	0	0	75	75
Prepaid Expenses	8,988	0	0	8,988	2,103
Grants and Accounts Receivable (Note 4)	24,702	4,000	0	28,702	25,372
Investments (Note 2 and Note 3)	0	0	0	0	771,566
Total Current Assets	794,703	28,906	5,641	829,250	821,906
FIXED ASSETS					
Land, Building and Equipment (Net of Accumulated Depreciation) (Note 5)	612,792	0	0	612,792	677,290
Total Assets	\$ 1,407,495	\$ 28,906	\$ 5,641	\$ 1,442,042	\$ 1,499,196
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts Payable	\$ 8,935	0	0	\$ 8,935	\$ 23,519
Deposits for Trips and Socials	8,278	0	0	8,278	13,287
Accrued Expenses	5,618	0	0	5,618	7,422
Deferred Revenue - PA Dept. of Aging	18,750	0	0	18,750	0
Total Current Liabilities	\$ 41,581	0	0	\$ 41,581	\$ 44,228
NON-CURRENT LIABILITIES					
Total Liabilities	0	0	0	0	0
NET ASSETS					
UNRESTRICTED					
Unrestricted and Undesignated	\$ 536,332	0	0	\$ 536,332	\$ 546,072
Designated by the Board for Long-Term Investment	216,790	0	0	216,790	216,790
Net Assets Expended for Land, Building and Equipment	612,792	0	0	612,792	677,290
TEMPORARILY RESTRICTED (Note 7)	0	\$ 28,906	0	28,906	9,175
PERMANENTLY RESTRICTED (Note 8)	0	0	\$ 5,641	5,641	5,641
Total Net Assets	\$ 1,365,914	\$ 28,906	\$ 5,641	\$ 1,400,461	\$ 1,454,968
Total Liabilities and Net Assets	\$ 1,407,495	\$ 28,906	\$ 5,641	\$ 1,442,042	\$ 1,499,196

See independent auditors' report and notes to financial statements.

**LEHIGH COUNTY SENIOR CITIZENS, INC.
D/B/A LEHIGH VALLEY ACTIVE LIFE
(A Not-for-Profit Corporation)**

STATEMENT OF ACTIVITIES

Year ended December 31, 2016
(With Summarized Totals for 2015)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total December 31,	
				2016	2015
Revenues and Other Support:					
City of Allentown	\$ 15,000	0	0	\$ 15,000	\$ 15,000
County of Lehigh	104,908	0	0	104,908	97,098
Senior Wellness Project	7,500	0	0	7,500	0
United Way of the Greater Lehigh Valley Foundations	4,442	0	0	4,442	5,457
	20,000	\$ 20,000	0	40,000	20,000
In-Kind Contributions	8,251	0	0	8,251	10,140
Other Municipalities	14,350	4,000	0	18,350	14,950
Fundraising (Net Expenses of \$4,359 and \$4,697)	7,292	0	0	7,292	21,651
Development Grants and Income	108,485	0	0	108,485	103,372
Real Estate Tax Abatement	20,607	0	0	20,607	0
Membership Dues	42,082	0	0	42,082	39,529
Investment Income	24,585	0	0	24,585	35,748
Other Income	29,164	0	0	29,164	12,854
Participant Fees	192,945	0	0	192,945	179,814
Realized/Unrealized Gain on Investments	11,941	0	0	11,941	(26,113)
Net Assets Released From Restrictions:					
Satisfaction of Restrictions (Note 7)	4,269	(4,269)	0	0	0
Total Revenue and Other Support	\$ 615,821	\$ 19,731	0	\$ 635,552	\$ 529,500
Expenses:					
Transportation	\$ 9,837	0	0	\$ 9,837	\$ 13,358
Socialization and Recreation	452,335	0	0	452,335	458,988
Nutritional Program	62,627	0	0	62,627	69,953
Therapeutic Socialization	13,508	0	0	13,508	15,675
Outreach/Fundraising	78,796	0	0	78,796	75,173
Administrative and General	72,956	0	0	72,956	80,282
Total Expenses	\$ 690,059	0	0	\$ 690,059	\$ 713,429
Change in Net Assets	\$ (74,238)	\$ 19,731	0	\$ (54,507)	\$ (183,929)
Net Assets, Beginning of Year	1,440,152	9,175	\$ 5,641	1,454,968	1,638,897
Net Assets, End of Year	\$ 1,365,914	\$ 28,906	\$ 5,641	\$ 1,400,461	\$ 1,454,968

See independent auditors' report and notes to financial statements.

**LEHIGH COUNTY SENIOR CITIZENS, INC.
D/B/A LEHIGH VALLEY ACTIVE LIFE
(A Not-for-Profit Corporation)**

STATEMENT OF CASH FLOWS

Year ended December 31, 2016
(With Summarized Totals for 2015)

	Total Year Ended December 31,	
	2016	2015
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
CHANGE IN NET ASSETS	\$ (54,507)	\$ (183,929)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	69,885	69,802
(Increase) Decrease in:		
Grants and Accounts Receivable	(3,330)	22,188
Prepaid Expenses	(6,885)	920
Increase (Decrease) in:		
Accounts Payable	(14,586)	21,216
Accrued Expenses	(1,804)	(5,967)
Deposits for Trips and Socialization	(5,009)	7,747
Deferred Revenue - PA Dept. of Revenue	18,750	0
Net Realized/Unrealized (Gain) Loss on Investments	(28,455)	26,113
Net Cash (Used) Provided by Operating Activities	\$ (25,941)	\$ (41,910)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of Investments	0	\$ (148,110)
Proceeds from the Sale of Investments	\$ 800,022	264,434
Purchases of Furniture, Equipment and Building Improvements	(5,386)	(117,807)
Net Cash Provided (Used) by Investing Activities	\$ 794,636	\$ (1,483)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>	0	0
Net Cash Provided (Used) by Financing Activities	0	0
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 768,695	\$ (43,393)
Cash and Cash Equivalents at Beginning of Year	22,865	66,258
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 791,560	\$ 22,865

See independent auditors' report and notes to financial statements.

LEHIGH COUNTY SENIOR CITIZENS, INC.
D/B/A LEHIGH VALLEY ACTIVE LIFE
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STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2016
 (With Summarized Totals for 2015)

	Program Services			Support Services		Year Ended December 31,			
	Transportation	Socialization- Recreation	Nutritional	Therapeutic Socialization	Total	Total			
						Outreach/ Fundraising	Administrative and General	2016	2015
PERSONNEL									
Salaries	4,630	155,573	23,567	5,489	189,259	44,221	34,352	267,832	278,891
Payroll Taxes	390	13,093	1,983	462	15,928	3,722	2,891	22,541	24,015
Employee Benefits	271	9,093	1,378	321	11,063	2,585	2,008	15,656	11,320
Total Salaries and Related Expenses	\$ 5,291	\$ 177,759	\$ 26,928	\$ 6,272	\$ 216,250	\$ 50,528	\$ 39,251	\$ 306,029	\$ 314,226
Professional Services	0	0	0	0	0	0	10,665	10,665	10,540
Occupancy	2,702	48,656	8,968	1,915	62,241	1,411	3,847	67,499	85,177
Telephone	275	1,649	275	137	2,336	137	275	2,748	2,187
Postage	0	7,036	0	0	7,036	2,010	1,006	10,052	8,729
Technology	0	0	0	0	0	0	0	0	640
Office Supplies and Expense	399	5,182	399	399	6,379	797	798	7,974	5,845
Socialization and Recreation Supplies	0	52,142	0	0	52,142	0	0	52,142	48,513
Socialization and Recreation Instructor Fee	0	113,838	0	0	113,838	0	0	113,838	115,152
Therapeutic Socialization Expense	0	0	0	548	548	0	0	548	486
Insurance	854	4,698	1,281	427	7,260	427	854	8,541	8,973
Transportation Expense	0	0	0	0	0	0	0	0	0
Local Travel	0	21	0	0	21	31	52	104	514
Investment and Bank Fees	0	0	0	0	0	0	4,089	4,089	7,019
Conference and Convention	0	467	0	0	467	58	59	584	516
Development	0	0	0	0	0	19,722	0	19,722	15,287
Newsletter	0	9,327	0	0	9,327	0	0	9,327	11,249
Miscellaneous	316	2,208	316	316	3,156	1,578	1,578	6,312	7,384
Total Expense Before Depreciation	\$ 9,837	\$ 422,983	\$ 38,167	\$ 10,014	\$ 481,001	\$ 76,699	\$ 62,474	\$ 620,174	\$ 642,437
Depreciation	0	29,352	24,460	3,494	57,306	2,097	10,482	69,885	69,802
Total Expenses for 2016	\$ 9,837	\$ 452,335	\$ 62,627	\$ 13,508	\$ 538,307	\$ 78,796	\$ 72,956	\$ 690,059	
Total Expenses for 2015	\$ 13,358	\$ 456,988	\$ 69,953	\$ 15,675	\$ 557,974	\$ 75,173	\$ 80,282	\$ 713,429	

See notes to financial statements.

**LEHIGH COUNTY SENIOR CITIZENS, INC.
D/B/A LEHIGH VALLEY ACTIVE LIFE
(A Not-for-Profit Corporation)**

Notes to Financial Statements
December 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Lehigh County Senior Citizens, Inc. d/b/a Lehigh Valley Active Life is a nonprofit corporation organized under the laws of the Commonwealth of Pennsylvania for the purpose of providing services to Lehigh County Senior Citizens.

The organization is exempt from federal income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code.

Basis of Presentation

The accompanying financial statements have been presented on the accrual basis of accounting with the principles of not-for-profit accounting.

A description of the three net asset categories follows:

Unrestricted Net Assets

Unrestricted net assets include funds not subject to donor-imposed stipulations. In general, the revenues received and expenses incurred in conducting the Organization's charitable mission are included in this category.

Temporarily Restricted Net Assets

Temporarily restricted net assets include gifts, grants and pledges whose use by the Organization has been limited by donors to later periods of time or after specified dates, or to a specified purpose.

Permanently Restricted Net Assets

Permanently restricted net assets include gifts, trusts and pledges which are required by donor-imposed restrictions to be invested in perpetuity and only income be made available for operations in accordance with donor restrictions.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash and cash equivalents.

Land, Building and Equipment

Land, building and equipment is stated at cost. Depreciation is computed by use of the straight-line method based on estimated useful lives. The Organization has a policy to capitalize all purchases greater than \$500 with a useful life of one year or more.

	<u>Years</u>
Building	31-1/2
Furniture and Equipment	5 - 10

**LEHIGH COUNTY SENIOR CITIZENS, INC.
D/B/A LEHIGH VALLEY ACTIVE LIFE
(A Not-for-Profit Corporation)**

Notes to Financial Statements
December 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Donated Materials and Services

Donated materials and equipment are reflected as contributions in the accompanying statements at their estimated values at date of receipt. No amounts have been reflected in the statements for donated services in as much as no objective basis is available to measure the value of such services; however, a substantial number of volunteers have donated significant amounts of their time in the Organization's program services and in its fundraising campaigns.

Meals provided through the congregate nutrition programs, as well as supplies for that program, were provided by the Lehigh County Area Agency on Aging, as were the majority of units of transportation provided through Metro Plus.

Income Tax

The Organization is exempt from federal income taxes under the provision of Section 501(c)(3) of the Internal Revenue Code and none of its present or anticipated future activities are subject to unrelated business income. Therefore, no provision for income taxes has been made in the accompanying financial statements.

Uncertain tax positions are evaluated in accordance with FASB ASC 740-10. FASB ASC 740-10 clarifies the accounting for uncertainty in income taxes recognized in the Organization's financial statements and prescribes a recognition threshold of more-likely-than-not to be sustained upon examination by the appropriate taxing authority. Measurement of the tax uncertainty occurs if the recognition threshold has been met. FASB ASC 740-10 also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, and disclosure. The Organization had no material unrecognized tax benefits or accrued interest penalties.

The Organization's federal Exempt Organization Business Income Tax Returns (Form 990) for 2014, 2015 and 2016 are subject to examination by the IRS, generally for three years after they were filed.

NOTE 2 – FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board ASC 820-10, Fair Value Measurements, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820-10 are described below:

- | | |
|---------|---|
| Level 1 | Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access. |
| Level 2 | Inputs to the valuation methodology include: <ul style="list-style-type: none">• Quoted prices for similar assets or liabilities in active markets;• Quoted prices for identical or similar assets or liabilities in inactive markets;• Inputs other than quoted prices that are observable for the asset or liability;• Inputs that are derived principally from or corroborated by observable market data by correlation or other means. |

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

**LEHIGH COUNTY SENIOR CITIZENS, INC.
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Notes to Financial Statements
December 31, 2016

NOTE 2 – FAIR VALUE MEASUREMENTS – CONTINUED

Level 3 Inputs to the valuation methodology are unobservable, are significant to the fair value measurement and include management's judgments about the assumptions market participants would use in pricing the asset or liability.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Investments classified within Level 3 whose fair value measurements consider several inputs may include Level 1 and/or Level 2 inputs as components of the overall fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2016 and 2015.

Mutual Funds: Valued at the net asset value ("NAV") of shares held by the organization at year end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2016 and 2015:

	<u>Investments as Fair Value at December 31, 2016</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds				
Bank Loan Fund	\$ 0	\$ 0	\$ 0	\$ 0
Diversified Emerging Market	0	0	0	0
Emerging Market Bonds	0	0	0	0
Foreign Large Value	0	0	0	0
Foreign Large Growth	0	0	0	0
Intermediate Term Bond	0	0	0	0
Large Blend	0	0	0	0
Large Growth	0	0	0	0
Large Value	0	0	0	0
Mid Cap Growth	0	0	0	0
Moderate Allocation	0	0	0	0
Multi Sector Bond	0	0	0	0
Muni Pennsylvania	0	0	0	0
Nontraditional Bond	0	0	0	0
Short-Term Bond	0	0	0	0
Small Value	0	0	0	0
Small Growth	0	0	0	0
World Stock	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

During 2016, the Organization began to reevaluate its investments and financial strategies. As of December 31, 2016 all of its investments were converted to cash as part of this process.

**LEHIGH COUNTY SENIOR CITIZENS, INC.
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(A Not-for-Profit Corporation)**

Notes to Financial Statements
December 31, 2016

NOTE 2 – FAIR VALUE MEASUREMENTS – CONTINUED

	<u>Investments as Fair Value at December 31, 2015</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds				
Bank Loan Fund	\$ 13,794	\$ 0	\$ 0	\$ 13,794
Diversified Emerging Market	16,434	0	0	16,434
Emerging Market Bonds	11,706	0	0	11,706
Foreign Large Value	23,199	0	0	23,199
Foreign Large Growth	51,173	0	0	51,173
Intermediate Term Bond	63,100	0	0	63,100
Large Blend	53,183	0	0	53,183
Large Growth	36,187	0	0	36,187
Large Value	39,897	0	0	39,897
Mid Cap Growth	81,261	0	0	81,261
Moderate Allocation	49,196	0	0	49,196
Multi Sector Bond	79,062	0	0	79,062
Muni Pennsylvania	62,389	0	0	62,389
Nontraditional Bond	16,782	0	0	16,782
Short-Term Bond	28,878	0	0	28,878
Small Value	22,893	0	0	22,893
Small Growth	87,429	0	0	87,429
World Stock	<u>35,003</u>	<u>0</u>	<u>0</u>	<u>35,003</u>
	<u>\$771,566</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$771,566</u>

NOTE 3 – INVESTMENTS

Cost and market values of the investments are as follows:

	<u>December 31, 2016</u>		<u>December 31, 2015</u>	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Mutual Funds	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$715,487</u>	<u>\$771,566</u>
	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$715,487</u>	<u>\$771,566</u>

NOTE 4 – GRANTS AND ACCOUNTS RECEIVABLE

	<u>2016</u>	<u>2015</u>
Grants and accounts receivable consist of:		
Lower Macungie Township	\$ 4,000	\$ 0
Lehigh County	<u>24,702</u>	<u>25,372</u>
	<u>\$ 28,702</u>	<u>\$ 25,372</u>

LEHIGH COUNTY SENIOR CITIZENS, INC.
D/B/A LEHIGH VALLEY ACTIVE LIFE
(A Not-for-Profit Corporation)

Notes to Financial Statements
December 31, 2016

NOTE 5 – LAND, BUILDING AND EQUIPMENT

Land, building and equipment consist of the following:

	2016	2015
Land	\$ 62,864	\$ 62,864
Building	1,721,323	1,719,963
Furniture and Equipment	295,181	291,155
	\$ 2,079,368	\$ 2,073,982
Less: Accumulated Depreciation	(\$ 1,466,576)	(\$ 1,396,692)
	\$ 612,792	\$ 677,290

Depreciation charged to expense was \$69,885 and \$69,802 for 2016 and 2015, respectively.

NOTE 6 – RETIREMENT PLAN

The Organization has a 403(b) defined contribution pension plan for its employees. During 2016 and 2015, the Organization did not contribute any employer match to the plan.

NOTE 7 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

History Project	\$ 4,429
Roof Replacement	477
Senior Wellness Project – Trexler Grant	20,000
Lower Macungie Township – Grant Receivable	4,000
	\$ 28,906

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

Purpose restrictions accomplished:

History Project	\$ 0
Roof Replacement	0
Capital Assets	4,269
	\$ 4,269

NOTE 8 – ENDOWMENT

The Organization's endowment consists of donor-restricted funds, the income of which is to be utilized for operating expenses of the Organization. The funds are maintained in an interest bearing cash account, the earnings of which are expended for operations in the year earned. As required by Generally Accepted Accounting Principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

LEHIGH COUNTY SENIOR CITIZENS, INC.
D/B/A LEHIGH VALLEY ACTIVE LIFE
(A Not-for-Profit Corporation)

Notes to Financial Statements
December 31, 2016

NOTE 8 – ENDOWMENT - CONTINUED

Under relevant law, the management of the Organization has interpreted the law as requiring preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classified as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation was added to the fund.

Endowment Net Asset Composition:

	December 31,	
	<u>2016</u>	<u>2015</u>
Permanently Restricted	<u>\$ 5,641</u>	<u>\$ 5,641</u>

NOTE 9 – SUMMARIZED TOTALS FOR YEAR ENDED DECEMBER 31, 2015

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with Lehigh County Senior Citizens, Inc.'s financial statements for the year ended December 31, 2015, from which summarized information was derived.

NOTE 10 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 18, 2017, the date on which the financial statements were available to be issued, and had determined that no material subsequent events exist that require disclosure.

SUPPLEMENTARY INFORMATION

**LEHIGH COUNTY SENIOR CITIZENS, INC.
D/B/A LEHIGH VALLEY ACTIVE LIFE
(A Not-for-Profit Corporation)**

SCHEDULE OF LEHIGH COUNTY GRANTS

Year ended December 31, 2016

	<u>2016</u>	<u>2015</u>
General Grant	<u>\$ 104,908</u>	<u>\$ 97,098</u>

See independent auditors' report on supplementary information.

LEHIGH COUNTY SENIOR CITIZENS, INC.
D/B/A LEHIGH VALLEY ACTIVE LIFE
(A Not-for-Profit Corporation)

SCHEDULE OF OCCUPANCY EXPENSES

Year ended December 31, 2016
 (With Summarized Totals for 2015)

	Program Services			Therapeutic Socialization		Outreach/Fundraising		Support Services		Year ended December 31,	
	Transportation	Recreation/Socialization	Nutritional	Total	Socialization	Total	Management & General	Total	2016	2015	
Water and Sewer	0	\$ 1,431	90	\$ 1,611	90	\$ 90	90	\$ 180	\$ 1,791	\$ 1,797	
Gas	0	12,009	267	12,676	400	0	667	667	13,343	10,654	
Light and Power	842	10,091	3,364	14,803	506	841	1,176	2,017	16,820	17,543	
Building Rental and Maintenance	0	6,441	758	7,199	0	0	379	379	7,578	4,837	
Housekeeping Supplies	0	7,535	2,009	9,745	201	0	301	301	10,046	9,279	
Pest Control	0	70	210	280	0	0	0	0	280	210	
Real Estate Taxes	0	0	0	0	0	0	0	0	0	20,607	
Insurance	854	4,698	1,281	7,260	427	427	854	1,281	8,541	8,972	
Trash Removal	53	267	588	961	53	53	53	106	1,067	723	
Lawn and Walkway Care	953	3,336	238	4,765	238	0	0	0	4,765	7,993	
Contracted Services	0	2,778	163	2,941	0	0	327	327	3,268	2,562	
	\$ 2,702	\$ 48,656	\$ 8,968	\$ 62,241	\$ 1,915	\$ 1,411	\$ 3,847	\$ 5,258	\$ 67,499	\$ 85,177	

See independent auditors' report on supplementary information.