

**SENIOR CENTER RESOURCES
AND PUBLIC TRANSIT, INC.**

FINANCIAL STATEMENTS
&
INDEPENDENT AUDITOR'S REPORT

FOR THE FISCAL YEARS ENDED

SEPTEMBER 30, 2015 and 2014

**SENIOR CENTER RESOURCES AND PUBLIC TRANSIT, INC.
ANNUAL FINANCIAL REPORT
FOR THE YEARS ENDED SEPTEMBER 30, 2015 and 2014**

TABLE OF CONTENTS

	<u>Page Number</u>
GENERAL INFORMATION	
Officers and Directors.....	4
FINANCIAL SECTION	
Independent Auditor's Report.....	6
Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.....	8
Independent Auditor's Report on Compliance with Requirements that Could have a Direct and Material Effect on each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.....	10
Schedule of Findings and Questioned Costs.....	12
Basic Financial Statements:	
Statement of Financial Position.....	14
Statement of Activities.....	15
Statement of Functional Expenses.....	16
Statement of Cash Flows.....	17
Notes to the Financial Statements.....	18
Schedule of Expenditures of Federal and State Awards.....	28
Notes to the Schedule of Expenditures of Federal and State Awards.....	29

GENERAL INFORMATION

SENIOR CENTER RESOURCES AND PUBLIC TRANSIT, INC.
ANNUAL FINANCIAL REPORT
FOR THE YEARS ENDED SEPTEMBER 30, 2015 and 2014

OFFICERS AND DIRECTORS

AS OF SEPTEMBER 30, 2015

Chairman of the Board.....	Sheryl Zelhart
Vice Chairman/ Treasurer.....	Maggie Mendoza
Secretary.....	James C. Patton
Directors.....	Charles Adams
	L.E. Gibson
	Donna Henslee
	Larry McKinney
	Angela Roberts
	Nelda Young
Executive Director.....	Danny Allembaugh

FINANCIAL SECTION



Michael Conway, CPA
Neil Conway, CPA

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Independent Auditor's Report

To the Board of Directors
Senior Center Resources and Public Transit, Inc.
Greenville, TX 75402

We have audited the accompanying financial statements of Senior Center Resources and Public Transit Corporation, a nonprofit organization, (the "Center") which comprise the statements of financial position as of September 30, 2015 and 2014 and the related statements of activities, functional expenses, cash flows for the years then ended, and the related notes to 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statement audits contained in *Governmental 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 judgment, including 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 controls 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 Senior Center Resources and Public Transit, Inc. as of September 30, 2015 and 2014, and the changes in its net assets, functional expenses and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Other reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2016 on our consideration of Senior Center Resources and Public Transit, Inc.'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 and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Audit Standards* in considering Senior Center Resources and Public Transit, Inc.'s internal control over financial reporting and compliance.

CONWAY COMPANY CPAs, P.C.



Greenville, Texas

March 11, 2016 (except as to Notes M and N and page 12 which are as of September 19, 2016)



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Senior Center Resources and Public Transit, Inc.

We have audited, in accordance with the 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, the financial statements of the Senior Center Resources and Public Transit, Inc. (a nonprofit organization), which comprise the statement of financial positions as of September 30, 2015 and 2014, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated March 11, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Senior Center Resources and Public Transit, Inc.'s internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Senior Center Resources and Public Transit Inc.'s ("Center") internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and other Matters

As part of obtaining reasonable assurance about whether the Center's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

This report is intended solely to describe the scope of our testing of internal control and compliance and the results of this testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CONWAY COMPANY CPAs, P.C.

Conway Company CPAs, P.C.

Greenville, Texas

March 11, 2016



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Board of Directors of
Senior Center Resources and Public Transit, Inc.

Report on Compliance for Each Major Federal Program

We have audited Senior Center Resources and Public Transit, Inc.'s ("Center") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Center's major federal programs for the years ended September 30, 2015 and 2014. The Center's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Center's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Center's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the Center's compliance.

Opinion on Each Major Federal Program

In our opinion, the Senior Center Resources and Public Transit, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended September 30, 2015 and 2014.

Internal Control over Compliance

Management of the Center is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Center’s internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Center’s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose as described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

CONWAY COMPANY CPAs, P.C.



Greenville, Texas

March 11, 2016

**SENIOR CENTER RESOURCES AND PUBLIC TRANSIT, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 and 2014**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Deficiencies identified that are not considered to be material weaknesses?	No
Noncompliance material to the financial statements' notes?	No

Federal and State Awards

Internal control over major programs:	
Material weaknesses identified	No
Deficiencies identified that are not considered to be material weaknesses	No
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A133?	No

Major Federal Programs:

Federal Transit Capital Investment Grant (CFDA 20.509)	
Dollar threshold used to distinguish between type A and type B federal programs:	\$300,000
Auditee qualified as low risk auditee?	Yes

Section II - Findings Related to Financial Statements

None

Section III - Findings and Questioned Costs Related to Federal and State Awards

None

BASIC FINANCIAL STATEMENTS

**SENIOR CENTER RESOURCES AND PUBLIC TRANSIT, INC.
STATEMENT OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 1,401,556	\$ 1,350,754
Due from Contracting Agencies	104,510	245,177
Prepaid Expenses	11,633	71,274
Total Current Assets	<u>1,517,699</u>	<u>1,667,205</u>
Non-current Assets:		
Restricted Cash	<u>13,337</u>	<u>13,570</u>
Capital Assets:		
Non-depreciable Asset:		
Land	<u>25,201</u>	<u>25,201</u>
Depreciable Assets:		
Buildings	2,922,134	2,922,134
Equipment	775,779	758,561
Vehicles	1,306,472	1,249,124
Accumulated Depreciation	<u>(2,445,914)</u>	<u>(2,103,465)</u>
Depreciable Assets, net	<u>2,558,471</u>	<u>2,826,354</u>
Total Fixed Assets, net	<u>2,583,672</u>	<u>2,851,555</u>
Total Non-current Assets	<u>2,597,009</u>	<u>2,865,125</u>
Total Assets	<u><u>4,114,708</u></u>	<u><u>4,532,330</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts Payable	-	32,177
Accrued Liabilities	<u>8,697</u>	<u>18,282</u>
Total Current Liabilities	<u>8,697</u>	<u>50,459</u>
Total Liabilities	<u>8,697</u>	<u>50,459</u>
Net Assets:		
Restricted Net Assets	13,337	13,570
Unrestricted Net Assets	<u>4,092,674</u>	<u>4,468,301</u>
Total Net Assets	<u>4,106,011</u>	<u>4,481,871</u>
Total Liabilities and Net Assets	<u><u>\$ 4,114,708</u></u>	<u><u>\$ 4,532,330</u></u>

The accompanying notes are an integral part of this financial statement.

SENIOR CENTER RESOURCES AND PUBLIC TRANSIT, INC.
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED SEPTEMBER 30, 2015 and 2014

	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Support and Revenues:						
Federal Financial Assistance	\$ 569,858	\$ -	\$ 569,858	\$ 674,849	\$ -	\$ 674,849
State Financial Assistance	382,932	-	382,932	425,361	-	425,361
Program Income	315,939	-	315,939	312,367	-	312,367
Hunt Memorial Hospital District	147,983	-	147,983	213,323	-	213,323
United Way	10,785	-	10,785	14,787	-	14,787
Intergovernmental Support	53,333	-	53,333	95,855	-	95,855
Public Donations	-	-	-	8,045	-	8,045
In-Kind Donations	154,522	-	154,522	146,406	-	146,406
Interest Income	2,069	-	2,069	1,512	-	1,512
Miscellaneous Income	34,575	-	34,575	14,596	-	14,596
Unrestricted Support and Revenues	1,671,996	-	1,671,996	1,907,101	-	1,907,101
Expenses						
Program Services:						
Aging Programs	598,938	48	598,986	622,906	48	622,954
Transportation Programs	1,315,675	185	1,315,860	1,367,478	184	1,367,662
Supporting Services:						
Administration Costs	133,010	-	133,010	209,735	-	209,735
Total Expenses	2,047,623	233	2,047,856	2,200,119	232	2,200,351
Net Increase (Decrease) in Net Assets	(375,627)	(233)	(375,860)	(293,018)	(232)	(293,250)
Net Assets, October 1	4,468,301	13,570	4,481,871	4,761,319	13,802	4,775,121
Net Assets, September 30	\$ 4,092,674	\$ 13,337	\$ 4,106,011	\$ 4,468,301	\$ 13,570	\$ 4,481,871

The accompanying notes are an integral part of this financial statement.

SENIOR CENTER RESOURCES AND PUBLIC TRANSIT, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2015

Expenses	Program Services			Support Services		2014 Total
	Aging Programs	Transportation Programs	Total	Administration Expenses	Total Expenses	
Salaries and Employee Benefits	\$ 175,696	\$ 542,907	\$ 718,603	\$ 127,790	\$ 846,393	\$ 902,665
Travel	215	315	530	-	530	2,285
Food Costs	200,212	-	200,212	-	200,212	193,299
Supplies	1,503	4,918	6,421	4,281	10,702	6,157
Utilities	8,830	21,544	30,374	939	31,313	38,643
Automobile Expense	18,256	256,666	274,922	-	274,922	335,862
Insurance	11,260	55,739	66,999	-	66,999	77,571
Center Maintenance	3,183	1,089	4,272	-	4,272	8,037
Operations	32,331	-	32,331	-	32,331	63,162
Professional Fees	5,982	23,936	29,918	-	29,918	27,902
Marketing	1,547	3,890	5,437	-	5,437	640
Human Resources	1,980	9,538	11,518	-	11,518	9,872
Communications	445	8,211	8,656	-	8,656	13,813
Office Expenses	2,464	23,117	25,581	-	25,581	22,211
Other Operating Costs	135	1,966	2,101	-	2,101	1,590
Expenses before Depreciation and In Kind Expenses	464,039	953,836	1,417,875	133,010	1,550,885	1,703,709
Loss on Sale of Assets	-	-	-	-	-	788
In Kind Expense	86,139	68,383	154,522	-	154,522	146,406
Depreciation	48,808	293,641	342,449	-	342,449	349,448
Total Expenses	\$ 598,986	\$ 1,315,860	\$ 1,914,846	\$ 133,010	\$ 2,047,856	\$ 2,200,351
Functional Expense Percentages	29.25%	64.26%	93.50%	6.50%	100%	100%

The accompanying notes are an integral part of this financial statement.

SENIOR CENTER RESOURCES AND PUBLIC TRANSIT INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 and 2014

	2015	2014
Cash Flows from Operating Activities:		
Change in Net Assets	\$ (375,860)	\$ (293,250)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	342,449	349,448
Changes in operating assets and liabilities:		
(Increase) Decrease in Accounts Receivable	140,667	44,905
(Increase) Decrease in Prepaid Expenses	59,641	(21,829)
Increase (Decrease) in Accounts Payable	(32,177)	(6,778)
Increase (Decrease) in Accrued Expenses	(9,585)	1,456
Net Cash Provided by Operating Activities	125,135	73,952
Cash Flows from Capital Activities:		
Gain from the Sale of Fixed Assets	-	25,517
Purchases of Vehicles and Equipment	(74,566)	(24,499)
Net Cash Used by Capital Activities	(74,566)	1,018
Net Increase in Cash and Cash Equivalents	50,569	74,970
Cash and Cash Equivalents at Beginning of Year	1,364,324	1,289,354
Cash and Cash Equivalents at End of Year	\$ 1,414,893	\$ 1,364,324
Supplemental Cash Flow Information:		
Non-cash contributions received: In-kind	\$ 154,522	\$ 146,406

The accompanying notes are an integral part of this financial statement.

SENIOR CENTER RESOURCES AND PUBLIC TRANSIT, INC.
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015 and 2014

NOTE A – FINANCIAL REPORTING ENTITY

Senior Center Resources and Public Transit, Inc. (the “Center”) was chartered as an organization other than a private foundation under the laws of the State of Texas. The center was formed in 1976 to provide transportation and nutrition and supporting aging services to the residents of Hunt County, Texas.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with generally accepted accounting principles.

Method of Accounting

The financial statements of the Center have been prepared utilizing the accrual basis of accounting. Contributions are recorded when received unless susceptible to accrual. The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management estimates.

Financial Statement Presentation

The Center prepares its financial statements in accordance with Accounting Standards Codification (ASC) 958-205 and subsections (formerly Statements of Financial Accounting Standards [“SFAS”] No. 117, *Financial Statements of Not-for-Profit Organizations* [“SFAS 117”]). Thus, the Center is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. In addition, the Center is required to present a statement of cash flows.

Net assets and revenues, expenses, gains and losses are classified based on the existence of absence of donor-imposed restrictions. Accordingly, net assets of the Center and changes therein are classified and reported as follows:

Unrestricted net assets – net assets that are not subject to donor-imposed stipulations are classified as unrestricted. These may be designated for specific purposes by action of the Board of Directors.

Temporarily restricted net assets – support that is restricted by the donor is reported as an increase in temporarily restricted net assets. Donor restricted support that will be met either by action of the Agency and/or the passage of time, are classified as an increase in temporarily restricted net assets. When restrictions are satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restriction.

Permanently restricted net assets – net assets subject to donor-imposed stipulations that they be maintained permanently by the Center are classified as permanently restricted.

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

SENIOR CENTER RESOURCES AND PUBLIC TRANSIT, INC.
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015 and 2014

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Cash and Cash Equivalents

The carrying amounts of cash and cash equivalents reported in the statement of financial position approximate fair values as of September 30, 2015 and 2014. The Center considers all highly liquid investments with a maturity of twelve months or less when purchased to be cash equivalents.

Receivables

The Center believes that sufficient detail of receivable balances is provided in the notes to the financial statements to avoid the obscuring of significant components by aggregation. Management has evaluated the necessity of providing for an allowance for doubtful accounts and has concluded that no such allowance is required as of September 30, 2015 and 2014.

Revenue Recognition

Grants – Support received under grant contract agreements with various federal and state agencies are recorded as revenue when the related costs are incurred. Grant amounts receivable at September 30, 2015 and 2014 represent amounts due for expenses incurred prior to year end.

Contributions – Contributions received from the public, Corporations, intercounty agencies and local governments are recognized as support when received and are reported as unrestricted net assets.

In-Kind Donations – The Center receives ongoing in-kind donations for municipal facilities provided for congregant meal service and certain vehicle maintenance items, such as oil changes and tire rotations. All donations are recorded as valued by the donor, which values most closely approximate the arms length purchase price for the items or facilities received.

Recognition of Donor Restrictions – Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. As of September 30, 2015 and 2014, temporarily restricted net assets total \$13,337 and \$13,570, and are held for use for facility capital improvements. There are no permanently restricted net assets.

Income Taxes

The Center operates under Section 501(c) (3) of the Internal Revenue Code and is generally exempt from federal, state, and local income taxes. Accordingly, no provision for income taxes is included in the financial statements. The Center is classified as an organization other than a private foundation.

SENIOR CENTER RESOURCES AND PUBLIC TRANSIT, INC.
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015 and 2014

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Significant estimates used in preparing these financial statements include those assumed in recording depreciation. It is at least reasonably possible that the significant estimates used will change within the next year.

Fixed Assets and Accumulated Depreciation

Expenditures for property and equipment are recorded at cost. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long these donated assets must be maintained, the Center reports expirations of donor restrictions when the donated or acquired assets are placed in service or as instructed by the donor.

The Center defines capital assets as those with an individual cost of \$5,000 or more and a useful life exceeding three years. Property and equipment are being depreciated using the straight-line method over the following estimated useful lives:

<u>Asset – Class</u>	<u>Estimated Life</u>
Buildings	40 Years
Furniture & Equipment	5-7 Years
Vehicles	5 Years

Description of Programs

Title III – Aging Services

The Center provides the following service to senior citizens age sixty and over with priority given to low income minorities, as addressed in the Older American Act. The objective of these programs is to enhance the participants' overall quality of life.

Congregate Meals Program – Meals meeting one-third of the required daily nutrition requirements are provided at specified nutrition sites.

Home Delivered Meals – Home delivered meals are provided to home bound eligible participants. These meals meet one-third of the required daily nutrition requirements.

Transportation – Transportation is provided to nutrition sites, medical appointments and essential shopping for eligible individuals.

SENIOR CENTER RESOURCES AND PUBLIC TRANSIT, INC.
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015 and 2014

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Description of Programs (cont'd)

Senior Center Operations – A multi-purpose center is available to help senior citizens deal with various issues affecting their daily life such as health screening, advocacy, information, and insurance benefits counseling.

Case Management – The Center provides needs assessment along with the development of a plan of care for helping individuals maintain independent living at home. The Center also provides for assistance in obtaining medications, equipment or treatment not otherwise attainable by the participant. In addition, the Center makes arrangements for minor repairs or modifications to homes necessary for health considerations or to adjust to a new disability.

Preventive Health – The Center makes referrals to the Area Agency on Aging for medical supplies, residential repairs, medical equipment, or prescriptions that can not be obtained by any other means.

Section 5311 Rural Public Transit

This program provides daily public transportation with the origin and destination within the service area of Hunt County. Weekly transportation is provided as needed within a 55 mile radius.

Title XIX - Medical Transportation

Eligible participants are approved by Medicaid Central Dispatch for the provision of non-emergency medical transportation within Hunt County. Limited service is also provided to counties contiguous to Hunt County.

Financial Instruments

Carrying values of the Center's financial instruments (receivables, checking and money market accounts, Certificates of Deposit, accounts payable and accrued expenses) approximate fair market value due to their relatively short maturities. These values all qualify as Level 1 inputs in accordance with FAS no. 157.

Compensated Absences

Employees of the Center are entitled to paid vacation and sick leave, depending upon length of service. It is not practical to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying financial statements. The Center's policy is to record the cost of compensated time off when approved and paid to the employees.

Risk Management

The Center is exposed to various risks of loss related to collisions, theft of, damage to and destruction of assets; injuries to employees; errors and omissions; and natural disasters. During fiscal 2015 and 2014, the Center contracted for commercial insurance to cover these liabilities. There were no settlements exceeding insurance coverage for each of the past four fiscal years.

SENIOR CENTER RESOURCES AND PUBLIC TRANSIT, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 and 2014

NOTE C - RESTRICTED CASH

The Center received restricted donations towards the construction of their existing building, all of which were not used in its initial completion. The activity relating to these funds is as follows:

	<u>2015</u>	<u>2014</u>
Balance as of October 1	\$ 13,570	\$ 13,802
Interest Income	-	-
Bank Service Charges	(233)	(232)
Balance as of September 30	<u>\$ 13,337</u>	<u>\$ 13,570</u>

NOTE D - FIXED ASSETS

The following is a summary of property and equipment and the related accumulated depreciation as of September 30, 2015:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Decreases</u>	<u>Ending Balances</u>
Non-Depreciated				
Capital Assets:				
Land	\$ 25,201	\$ -	\$ -	\$ 25,201
	<u>25,201</u>	<u>-</u>	<u>-</u>	<u>25,201</u>
Depreciable Assets:				
Buildings and Improvements	2,922,134	-	-	2,922,134
Machinery & Equipment	758,561	17,218	-	775,779
Vehicles	1,249,124	57,348	-	1,306,472
	<u>4,929,819</u>	<u>74,566</u>	<u>-</u>	<u>5,004,385</u>
Total Fixed Assets	<u>4,955,020</u>	<u>74,566</u>	<u>-</u>	<u>5,029,586</u>
Less accumulated depreciation for:				
Buildings and Improvements	(572,860)	(73,053)	-	(645,913)
Machinery & Equipment	(624,911)	(88,042)	-	(712,953)
Vehicles	(905,694)	(181,354)	-	(1,087,048)
Total Accumulated Depreciation	<u>(2,103,465)</u>	<u>(342,449)</u>	<u>-</u>	<u>(2,445,914)</u>
Total Capital Assets being Depreciated, net	<u>2,826,354</u>	<u>(267,883)</u>	<u>-</u>	<u>2,558,471</u>
Capital Assets, net	<u>\$ 2,851,555</u>	<u>\$ (267,883)</u>	<u>\$ -</u>	<u>\$ 2,583,672</u>

SENIOR CENTER RESOURCES AND PUBLIC TRANSIT, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 and 2014

NOTE D - FIXED ASSETS (cont'd)

The following is a summary of property and equipment and the related accumulated depreciation as of September 30, 2014:

	Beginning Balances	Additions	Decreases	Ending Balances
Non-Depreciated				
Capital Assets:				
Land	\$ 25,201	\$ -	\$ -	\$ 25,201
	<u>25,201</u>	<u>-</u>	<u>-</u>	<u>25,201</u>
Depreciable Assets:				
Buildings and Improvements	2,922,134	-	-	2,922,134
Machinery & Equipment	758,561	-	-	758,561
Vehicles	1,279,351	24,499	(54,726)	1,249,124
	<u>4,960,046</u>	<u>24,499</u>	<u>(54,726)</u>	<u>4,929,819</u>
Total Fixed Assets	<u>4,985,247</u>	<u>24,499</u>	<u>(54,726)</u>	<u>4,955,020</u>
Less accumulated depreciation for:				
Buildings and Improvements	(499,807)	(73,053)	-	(572,860)
Machinery & Equipment	(529,924)	(94,987)	-	(624,911)
Vehicles	(753,493)	(181,410)	29,209	(905,694)
Total Accumulated Depreciation	<u>(1,783,224)</u>	<u>(349,450)</u>	<u>29,209</u>	<u>(2,103,465)</u>
Total Capital Assets being				
Depreciated, net	<u>3,176,822</u>	<u>(324,951)</u>	<u>(25,517)</u>	<u>2,826,354</u>
Capital Assets, net	<u>\$ 3,202,023</u>	<u>\$ (324,951)</u>	<u>\$ (25,517)</u>	<u>\$ 2,851,555</u>

TxDOT holds title to all vehicles used in the public transportation program as their funding was at least partially used to purchase the vehicles in question. The net asset value of these vehicles was \$219,424 and \$356,940 as of September 30, 2015 and 2014, respectively. By holding title to these vehicles, TxDOT retains the right to control the sale of the vehicles and also can transfer the vehicles to use by another Texas transportation authority should the vehicles be idled by the current location. This right has not been exercised by TxDOT for any vehicles used by the Center either in the past or during the current fiscal year. Management believes its purchase and usage policy is such that TxDOT will not find it necessary to do so.

SENIOR CENTER RESOURCES AND PUBLIC TRANSIT, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 and 2014

NOTE E - DUE FROM CONTRACTING AGENCIES

As of September 30, 2015 and 2014, the Center had the following amounts due from contracting agencies:

	<u>2015</u>	<u>2014</u>
North Central Texas Council of Governments	\$ 30,324	\$ 39,259
Texas Department of Transportation	74,186	133,611
Hunt County Hospital System	-	16,667
Logisticare-Medicaid	-	10,886
Texas Department of Health and Human Services	-	40,444
Other	-	4,310
Total	<u>\$ 104,510</u>	<u>\$ 245,177</u>

Since all receivables are from state and local agencies, the Center does not record an allowance for doubtful accounts.

NOTE F - FEDERAL AND STATE FINANCIAL ASSISTANCE

Following is a summary of federal and state financial assistance by contracting source for September 30, 2015:

	<u>September 30, 2015</u>		
	<u>Federal</u>	<u>State</u>	<u>Total</u>
North Central Texas			
Council of Governments	\$ 199,973	\$ -	\$ 199,973
Texas Department of Transportation	369,885	252,144	622,029
Texas Department of H & HS	-	63,901	63,901
Texas Department of Agriculture	-	66,887	66,887
Totals	<u>\$ 569,858</u>	<u>\$ 382,932</u>	<u>\$ 952,790</u>

Following is a summary of federal and state financial assistance by contracting source for September 30, 2014:

	<u>September 30, 2014</u>		
	<u>Federal</u>	<u>State</u>	<u>Total</u>
North Central Texas			
Council of Governments	\$ 214,143	\$ -	\$ 214,143
Texas Department of Transportation	460,706	308,892	769,598
Texas Department of H & HS	-	52,579	52,579
Texas Department of Agriculture	-	63,890	63,890
Totals	<u>\$ 674,849</u>	<u>\$ 425,361</u>	<u>\$ 1,100,210</u>

SENIOR CENTER RESOURCES AND PUBLIC TRANSIT, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 and 2014

NOTE G - ECONOMIC DEPENDENCY

The Center receives a majority of its revenue through grants and contracts with the North Central Texas Council of Governments, the Texas Department of Human Services, and the Texas Department of Transportation. In addition, the majority of the Center's receivables are due from these agencies (see note E). The Center is economically dependent on these revenues as they comprise more than 63% of total funding received. At September 30, 2015 these grants and contracts have been extended through August 31, 2016.

NOTE H - CONTRIBUTIONS

Under SFAS No. 116, "Accounting for Contributions Received and Contributions Made", contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Contributions that are reported as temporarily or permanently restricted support are reclassified to unrestricted net assets upon expiration of the time or purpose of restriction. Contributions and grant restrictions that are satisfied in the year of receipt are reported as unrestricted revenue in the same year.

Contributions of volunteer hours and mileage are recorded as contributions in the period the services is received and as a corresponding expense within the same period. These services are referred to as "In Kind Donations." The value of volunteer hours and mileage has been recorded based on the Center's recommended per hour and per mile rate. Following is a summary of the value of these contributions as of September 30, 2015. Fiscal year 2014 break out of In-Kind Donations was not available.

In-Kind Donations	<u>9/30/2015</u>
Volunteer Hours	\$ 3,957
Volunteer Mileage	86,850
Other In-Kind Donations	<u>63,715</u>
Total In-Kind Donations	<u><u>\$ 154,522</u></u>

SENIOR CENTER RESOURCES AND PUBLIC TRANSIT, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 and 2014

NOTE I - OPERATING LEASES

The Center has an operating lease for office equipment. The lease was signed in March of 2012 for a 60 month leasing period at a cost of \$105 a month. The minimum lease commitments as of September 30, 2015 are as follows:

FYE August 31			
	2016	\$	1,260
	2017		735
Total			\$ 1,995

NOTE J - CONCENTRATION OF CREDIT RISK

The Center maintains cash balances at financial institutions which are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. Amounts in excess of the FDIC insurance were fully collateralized by securities held in the Center's name by the financial institution beginning in January, 2014. It also maintained pledged security for all of its certificates of deposit via a C.D.A.R.S Deposit Placement Agreement for all of fiscal 2015 and 2014. The Center has never experienced any losses relating to cash deposits and believes it is not exposed to any significant credit risk to cash.

NOTE K - PENSION PLAN

The Center adopted a 401(k) Plan in 2007 and all employees who have been employed by the Center for at least one year and at least 21 years of age are eligible to participate in the plan. The Center contributes to the plan based on a budgeted amount. The employee directs the investments within their respective account. The Center's pension expense was \$39,858 and \$62,252, in 2015 and 2014, respectively.

NOTE L - LITIGATION

The Center is party to various legal proceedings arising in the ordinary course of business. Management, based on the Board's opinion, believes the Center has adequate legal defenses and/or insurance coverage for each of these proceedings and does not believe they will materially alter the Center's financial position.

NOTE M - SUBSEQUENT EVENTS

For the originally issued financial statements, subsequent events were evaluated through March 11, 2015 which was the date the financial statements were available to be issued. For the reissued financial statements, subsequent events were evaluated through September 19, 2016 the date the reissued financial statements were available to be issued. During this period there were no events requiring disclosure.

NOTE N - RESTATEMENT OF FINANCIAL STATEMENTS

Subsequent to the issuance of the financial statements, Management discovered an error on page 12 in the formatting of the information.

The effect of the restatement on the financial statements for the year ended September 30, 2015 was \$0.

FEDERAL AND STATE AWARDS

SENIOR CENTER RESOURCES AND PUBLIC TRANSIT, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
Year Ended September 30, 2015

State/ Federal Grantor Pass Through Grantor Program Title	CFDA Number	Pass-Through Grantor's Number	Program Expenditures
STATE GRANTS			
Texas Department of Transportation			
TxDOT State Fund	N/A	51419F7028	\$ 233,670
Total Texas Department of Transportation			<u>233,670</u>
JARC Mobility Grant	N/A	TRN1967	<u>18,474</u>
Texas Department of Agriculture			
Texans Feeding Texans		HDM-14-1211	66,887
			<u>66,887</u>
Passed Through Texas Department of Health and Human Services :			
Title III, Part C Congregate and Home Delivery Meals	N/A	N/A	63,901
Total Texas Department of Health and Human Services			<u>63,901</u>
Total State Grant Awards			<u><u>382,932</u></u>
FEDERAL GRANTS			
U.S. Department of Transportation			
Passed through Texas Department of Transportation :			
Capital Assistance Programs - Elderly/ Disabled	20.513	51419F7132	44,000
			<u>44,000</u>
Grants for Other than Urban Areas *	20.509	51301F7198	287,636
Grants for Other than Urban Areas	20.509	51201F7196	38,249
Grants for Other than Urban Areas			<u>325,885</u>
Total Department of Transportation			<u>369,885</u>
U.S. Department of Health and Human Services			
Passed through North Central Texas Council of Governments:			
Title III, Part B - Transportation and Senior Option Services	93.044	N/A	41,708
Title III, Part C Congregate and Home Delivered Meals	93.045	N/A	158,265
Total U.S. Department of Health and Human Services			<u>199,973</u>
Total passed through North Central Texs Council of Governments			<u>199,973</u>
Total Federal Grant Awards			<u><u>569,858</u></u>
Grand Total of Federal and State Grant Awards			<u><u>\$ 952,790</u></u>

* Denotes Major Program

SENIOR CENTER RESOURCES AND PUBLIC TRANSIT, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
SEPTEMBER 30, 2015

A. General

The accompanying Schedule of Expenditures of Federal and State Awards presents the activity of all federal and state financial assistance programs of Senior Center Resources and Public Transit, Inc. ("SCRPT"). SCRPT's financial reporting is defined in Note A to the basic financial statements. Federal financial assistance received directly from federal agencies, federal financial assistance passed through from other governmental agencies, as well as state assistance received from the State of Texas are included in the schedule.

B. Basis of Presentation

The accompanying Schedule of Expenditures of Federal and State Awards is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the U.S. Management and Budget ("OMB") Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Some amounts presented in this schedule may differ from amounts presented in, or used in the basic financial statements.