



CLAY FINANCIAL SERVICES

CERTIFIED PUBLIC ACCOUNTANT

320 BROOKES DRIVE, SUITE 202 HAZELWOOD, MO 63042  
PHONE (314)551-9880

June 29, 2016

Sandra Norman  
Northside Youth and Senior Service Center, Inc  
4120 Maffitt Avenue  
Saint Louis, MO 63113

In planning and performing our audit of the financial statements of Northside Youth and Service Center Inc, (the "Company") for the year ended December 31, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures 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 Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company'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.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above. This communication is intended solely for the information and use of management, board of directors, others within the organization, and any governmental authority that requires you to submit this information. It is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

*Clay Financial Services*

Clay Financial Services

**NORTHSIDE YOUTH AND SENIOR SERVICE CENTER, INC**

**AUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**December 31, 2015**

**(with comparative financial information for December 31, 2014)**

**(With Independent Auditors' Report Thereon)**

**NORTHSIDE YOUTH AND SENIOR SERVICE CENTER, INC**

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**DECEMBER 31, 2015**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Northside Youth and Senior Service Center, Inc.

We have audited the accompanying financial statements of Northside Youth and Senior Service Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's 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 Northside Youth and Senior Service Center, Inc. as of December 31, 2015 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.



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**Report on Summarized Comparative Information**

We have previously audited Northside Youth and Senior Service Center, Inc's 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 23, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Clay Financial Services*

Hazelwood, Missouri

June 17, 2016

**NORTHSIDE YOUTH AND SENIOR SERVICE CENTER, INC**

**STATEMENT OF FINANCIAL POSITION**

**DECEMBER 31, 2015 and 2014**

**Assets**

	<u>2015</u>	<u>2014</u>
<b>Current Assets</b>		
Cash and cash equivalents	\$49,876	\$33,146
Grants receivable	52,565	22,096
Unconditional promises to give	198,304	228,281
Investments	71,226	115,915
Prepaid and other assets	1,824	4,424
<b>Total current assets</b>	<u>373,795</u>	<u>403,862</u>
 <b>Fixed Assets</b>		
Land	1,901	1,901
Building	120,614	120,614
Building Improvements	38,181	38,161
Furniture and Fixtures	42,994	42,994
Equipment	60,733	60,733
Vehicles	109,338	109,338
Accumulated Depreciation	<u>(340,853)</u>	<u>(334,046)</u>
<b>Net fixed assets</b>	<u>32,908</u>	<u>39,715</u>
 <b>Total Assets</b>	 <u><u>\$406,703</u></u>	 <u><u>\$443,577</u></u>

**Liabilities and Net Assets**

<b>Current Liabilities</b>		
Accounts Payable	\$ 10,421	\$3,975
Accrued Expenses	2,190	9,689
Line of Credit	8,796	-
Deferred Revenue	50	932
<b>Total current liabilities</b>	<u>21,457</u>	<u>14,596</u>
<b>Total Liabilities</b>	<u>21,457</u>	<u>14,596</u>
 <b>Net Assets</b>		
Unrestricted	160,693	172,411
Temporarily Restricted	224,553	256,570
<b>Total Net Assets</b>	<u>385,246</u>	<u>428,981</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$406,703</u></u>	<u><u>\$443,577</u></u>

**NORTHSIDE YOUTH AND SENIOR SERVICE CENTER, INC**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2015 and 2014**

2015

2014

	Unrestricted	Temporarily Restricted	Total		Total
<b>Support and Revenue</b>					
Support					
Contracts and grants	\$ 723,279	\$ 26,249	\$ 749,528	\$	\$ 771,958
Contributions	23,271		23,271		37,240
United Way	3,500	198,304	201,804		228,504
In-Kind contributions	11,825	-	11,825		6,369
Revenue					
Program service fee	25,600	-	25,600		25,225
Special Events	43,546	-	43,546		37,876
Investment Income	1,011	-	1,011		11,189
Miscellaneous Revenue	1,714	-	1,714		681
Total Support and Revenue	833,746	224,553	1,058,299		1,119,042
Net assets released from restrictions	256,570	(256,570)	-		1,119,042
Total Support and Revenue	1,090,316	(32,017)	1,058,299		1,119,042
<b>Expenses</b>					
Program services:					
Older Americans	\$ 297,486	\$ -	\$ 297,486	\$	\$ 309,046
Youth	542,907	-	542,907		633,014
Total program services	840,393	-	840,393		942,060
Support Services					
Management and general	233,713	-	233,713		260,966
Fundraising	27,928	-	27,928		28,080
Total supporting services	261,641	-	261,641		289,046
Total Expenses	1,102,034	-	1,102,034		1,231,106
Change in net assets from operations	(11,718)	(32,017)	(43,735)		(112,064)
Net Assets Beginning of year	172,411	256,570	428,981		541,045
Net Assets End of year	\$ 160,693	\$ 224,553	\$ 385,246	\$	\$ 428,981

**NORTHSIDE YOUTH AND SENIOR SERVICE CENTER, INC**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2015 and 2014**  
**Program Services      Supporting Services**

	Older Americans	Youth Programs	Management & General	Fundraising	2015 Totals	2014 Totals
Salaries	\$ 108,572	\$ 356,857	\$ 134,666	\$ -	\$ 600,095	\$ 720,742
Payroll taxes	10,069	30,849	10,874	-	51,792	63,123
Contract labor	58,321	950	-	-	59,271	47,073
Employee benefits	11,458	9,166	27,579	-	48,203	52,751
Total personnel costs	188,420	397,822	173,119	-	759,361	883,689
Advertising	-	356	100	-	456	200
Automobile and Vehicle	24,065	6,016	-	-	30,081	42,803
Conferences and meetings	197	108	11,294	326	11,925	8,875
Depreciation Expense	3,404	2,042	1,361	-	6,807	7,220
Donated Services	2,881	1,728	864	288	5,761	-
Dues, fees, and subscriptions	869	821	821	87	2,598	2,937
Equipment Rental	3,410	1,238	2,422	242	7,312	12,066
Field trips	-	-	-	-	0	3,994
Food & Refreshments	2,091	16,729	440	1,674	20,934	-
Fundraising	-	-	-	20,427	20,427	18,167
Grant Repayment	-	27,499	-	-	27,499	-
Insurance	8,785	5,240	4,698	-	18,723	16,317
Interest	-	-	922	-	922	378
Miscellaneous	3,694	2,216	1,476	-	7,386	846
Postage	-	-	1,907	695	2,602	2,388
Printing and publications	-	-	3,264	969	4,233	2,036
Professional services	30,790	19,216	10,510	2,467	62,983	75,182
Repairs and maintenance	897	299	1,793	-	2,989	18,542
Security	977	293	683	-	1,953	2,765
Supplies	-	23,797	-	-	23,797	15,629
Telephone	9,827	10,216	7,456	753	28,252	54,929
Travel	5,307	1,757	4,020	-	11,084	10,225
Occupancy	14	19,968	117	-	20,099	12,442
Total Expense	\$ 297,486	\$ 542,907	\$ 233,713	\$ 27,928	\$ 1,102,034	\$ 1,231,106



**Northside Youth and Senior Service Center, Inc.**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2015 and 2014**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>2015</b>	<b>2014</b>
Change in net assets	\$ (43,735)	\$ (112,064)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	6,807	7,220
Grants receivable	(30,469)	109,910
Unconditional promises to give	29,977	-
Prepaid and other assets	2,600	96
Accounts payable	6,446	(8,704)
Accrued expense	(7,399)	7,098
Deferred Revenue	(882)	707
Total adjustments	<u>7,080</u>	<u>116,327</u>
Net cash provided (used) by operating activities	<u>(36,655)</u>	<u>4,263</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investments purchases or sales	44,689	(11,184)
Building Improvements purchased	-	(5,535)
Equipment purchased	-	(747)
Net cash provided (used) by investing activities	<u>44,689</u>	<u>(17,466)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowing on line of credit	40,000	-
Repayments of line of credit	(31,304)	-
Net cash provided (used) by financing activities	<u>8,696</u>	<u>-</u>
Net increase (decrease) in cash	16,730	(13,203)
Cash at beginning of year	33,146	46,349
Cash at end of year	<u>\$ 49,876</u>	<u>\$ 33,146</u>
Supplemental cash flow information:		
Cash paid during the year for interest	\$ 922	\$ 378

NORTHSIDE YOUTH AND SENIOR SERVICE CENTER, INC.

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

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**NOTE 1: NATURE OF ACTIVITIES**

Northside Youth and Senior Service Center, Inc. (the Organization) is a nonprofit organization whose mission is to enhance the quality of life of its clients by serving the basic needs of the elderly, children and families in the St. Louis Metropolitan Area. In obtaining the mission, the organization provides:

- Access to education, counseling and health services
- Recreational and social programs
- Daily nutritional meals

Northside Youth and Senior Service Center, Inc. was formerly known as Northside Community Center, Inc. The Organization changed its name in February, 2012 to more closely align their name with their mission.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The accompanying financial statements include the accounts of Northside Youth and Senior Service Center, Inc. The accompanying financial statements have been prepared on the accrual basis of accounting.

**Financial Instruments**

The Organization's financial instruments are cash and cash equivalents, grants and other receivables, and accounts payable. The recorded values of cash and cash equivalents, accounts receivable, and accounts payable approximate their fair values based on their short-term nature.

**Fixed Assets and Depreciation Methods**

Fixed Assets consist of land, building, building improvements, furniture and fixtures, equipment and vehicles which are carried at cost. Expenditures for major additions and improvements with a cost greater than \$500 are capitalized and minor replacements, maintenance, and repairs are charged to expense as incurred. When land, building, building improvements, furniture and fixtures, equipment and vehicles are sold or otherwise disposed of, the cost and accumulated depreciation is removed from the accounts and any resulting gain or less is included in the results of operations for the respective period.

NORTHSIDE YOUTH AND SENIOR SERVICE CENTER, INC.

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

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**Income Taxes**

Northside Youth and Senior Service Center, Inc. is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code; therefore, no provision for income taxes has been made in these financial statements. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi) and 509 (a)(1).

The Organization has adopted the standards for accounting for uncertainty in income taxes and management is not aware of any uncertain tax provisions of the Corporation related to tax filings.

The Organization continually evaluates the effects of all tax positions taken including expiring statutes of limitations, tax eliminations, unrelated business income and new authoritative rulings. The Organization files federal information returns (Form 990). The statutes of limitations for information returns filed for years ended December 31, 2012 through 2014 have not expired and therefore are subject to examination.

**Net Assets**

Net assets and revenue, expense, gains, and losses are classified based on the existence or absence of any externally (donor) imposed restrictions. Accordingly, the net assets of the organization and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor imposed restrictions. Contributions with donor imposed restrictions which are satisfied in the current year are also reported as unrestricted.

Temporarily restricted net assets - Net assets subject to donor imposed stipulations that may or may not be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net asset - Net assets subject to donor imposed stipulations that require they be maintained permanently by the organization.

For the year ended December 31, 2015, the Organization did not have any permanently restricted net assets.

NORTHSIDE YOUTH AND SENIOR SERVICE CENTER, INC.

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

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**Contributions**

Contributions are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in the next year are recorded at their net realizable value.

United Way contribution for 2015 changed from \$228,281 to \$198,304 in 2016. Donations from United Way are recognized in advance. United Way went from one year donations to two year donations in 2016. The new donation amount is reflected on the Statement of Activities in 2015.

In-kind contributions were received in 2015. In 2015, in-kind services were primarily donated food for seniors program and donated office space for youth program. In-kind contributions are recorded at market value at the time of donation. Additionally, in 2015, the Organization recognized \$5,761 in donated professional services.

**Deferred Revenue**

The Organization recognizes revenue as earned. Amounts received in advance of the period in which the service is rendered are recorded as deferred revenue on the statement of financial position. In 2015 and 2014, the Organization received \$50 and \$932 advanced payment for the MLK Basketball Tournament.

**Use of Estimates**

The preparation of the Organization's financial statements in conformity with accounting principles generally accepted in the United State of America (GAAP) requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Functional Expenses**

The costs of providing the various programs and supporting services have been summarized for 2015 and 2014 on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated by Management among the programs and supporting services benefited.

**Comparative Financial Statements**

These financial statements include summarized comparative prior-year information in the statement of activities and statement of functional expenses. The summarized information does not contain sufficient detail to conform with generally accepted accounting principles. Therefore, this information should be read in conjunction with the Organization's 2014 financial statements from which the summarized information was derived.

NORTHSIDE YOUTH AND SENIOR SERVICE CENTER, INC.

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

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**Evaluation of Subsequent Events**

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition through June 17, 2016, the date the financial statements were available to be distributed.

**NOTE 3: CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of demand deposit accounts totaling \$49,876 and \$33,146 at December 31, 2015 and December 31, 2014.

The Organization places its temporary cash investments in two high credit financial institutions. At December 31, 2015, the Organization's cash and cash equivalents were fully insured by FDIC.

**NOTE 4: INVESTMENTS**

Northside Youth and Senior Service Center, Inc. has historically held cash, stock, fixed income securities and mutual fund investments through one account with one brokerage institution. The stock, fixed income securities, equities and mutual funds are marketable securities with readily determinable fair values. All investments are recorded at their fair value in the Statement of Financial Position and have a total market value of \$71,226 and 115,915 at December 31, 2015 and December 31, 2014.

Investment dividends and interest year ended December 31, 2015 and December 31, 2014 were \$477 and \$3,250, respectively.

**NOTE 5: FIXED ASSETS, NET**

Fixed Assets consist of land, building, building improvements, furniture and fixtures, equipment and vehicles are carried at cost. The building is fully depreciated. All fixed assets are depreciated using the straight-line method. Building improvements are depreciated over 39 years, furniture and equipment over 3 years and fixtures are depreciated over 5 years.

Depreciation amounted to \$6,807 and 7,220 in 2015 and 2014.

**NOTE 6: RETIREMENT PLAN**

The organization offers a 403(b) retirement plan for full time employees who are at least 21 years of age and have one-year of service. The employee may contribute and the Organization my match up to 4% of the employee's compensation. There is 100% vesting immediately as contributions are made by the employee and/or Northside Youth and Senior Service Center, Inc.

NORTHSIDE YOUTH AND SENIOR SERVICE CENTER, INC.

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

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**NOTE 7: LINE OF CREDIT**

Northside Youth and Senior Service Center, Inc maintains a line of credit in the amount of \$40,000. The credit line bears interest at the prime rate plus 2% on the outstanding balance. The APR (Annual Percentage Rate) was 5.25% during 2015 and 2014. At December 31, 2015 the line of credit had a \$8,796 balance.