



Audited Financial Statements

Senior PharmAssist, Inc.

June 30, 2009 and 2008

**Innovative Solutions*

Thomas, Knight, Trent, King and Company
Certified Public Accountants * Business Consultants

3400 Croasdaile Drive, Suite 301
Durham, North Carolina 27705
Phone: 919.383.8585
Fax: 919.382.3290
www.ttkk.com

Senior PharmAssist, Inc.

Contents

	Page
Independent Auditor's Report	3
Audited Financial Statements	
Statements of Assets, Liabilities and Net Assets-Modified Cash Basis	4
Statements of Revenues, Expenses, and Other Changes in Net Assets-Modified Cash Basis ..	5
Notes to Financial Statements	6-8
Supplemental Information	
Schedule of Functional Expenses-Modified Cash Basis	9



Independent Auditor's Report

Board of Directors
Senior PharmAssist, Inc.
Durham, North Carolina

We have audited the accompanying statements of assets, liabilities, and net assets-modified cash basis of Senior PharmAssist, Inc. as of June 30, 2009 and 2008 and the related statements of revenues, expenses, and other changes in net assets-modified cash basis for the years then ended. These financial statements are the responsibility of the management of Senior PharmAssist, Inc. 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 1 to the financial statements, these financial statements are prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Senior PharmAssist, Inc. as of June 30, 2009 and 2008, and the changes in its net assets for the years then ended on the basis of accounting described in Note 1.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Thomas, Knight, Trent, King and Company

Durham, North Carolina
September 15, 2009

3400 Croasdaile Drive, Suite 301
Durham, NC 27705
E-mail: profit@tktk.com

Phone: 919.383.8585
Fax: 919.382.3290
Web site: www.ttkk.com

**Innovative Solutions*

Senior PharmAssist, Inc.
 Statements of Assets, Liabilities and Net Assets-Modified Cash Basis
 June 30, 2009 and 2008

Assets	<u>2009</u>	<u>2008</u>
Current Assets		
Cash and cash equivalents	\$ 424,532	\$ 461,269
Sales tax receivable	<u>407</u>	<u>228</u>
Total current assets	<u>424,939</u>	<u>461,497</u>
Property and Equipment		
Office furniture and equipment	21,734	24,596
Less accumulated depreciation	<u>(16,394)</u>	<u>(17,193)</u>
Property and equipment, net	<u>5,340</u>	<u>7,403</u>
Long-Term Assets		
Deposits	<u>1,876</u>	<u>1,876</u>
	<u>\$ 432,155</u>	<u>\$ 470,776</u>
Liabilities and Net Assets		
Current Liabilities		
Payroll withholdings	\$ <u>377</u>	\$ <u>18,255</u>
Unrestricted Net Assets	<u>431,778</u>	<u>452,521</u>
	<u>\$ 432,155</u>	<u>\$ 470,776</u>

See accompanying notes to financial statements.

Senior PharmAssist, Inc.
 Statements of Revenues, Expenses, and Other Changes in Net Assets-
 Modified Cash Basis
 For the Years Ended June 30, 2009 and 2008

	2009	2008
Revenues		
Government contracts	\$ 101,436	\$ 105,337
Foundations	177,778	147,800
Individuals and groups	143,607	153,295
Corporations and businesses	90,424	75,323
Civic groups	20,746	17,843
Donor designated campaigns	4,514	14,061
Program revenue	17,885	21,007
Miscellaneous income	5,874	14,656
Total revenues	562,264	549,322
Expenses		
Program services	462,977	411,936
Management and general	51,807	53,300
Fundraising	68,223	65,142
Total expenses	583,007	530,378
Increase (decrease) in net assets	(20,743)	18,944
Net assets, beginning of year	452,521	433,577
Net assets, end of year	\$ 431,778	\$ 452,521

See accompanying notes to financial statements.

Senior PharmAssist, Inc.
Notes to Financial Statements
June 30, 2009 and 2008

Note 1 - Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

Senior PharmAssist, Inc. (the Organization) is a nonprofit entity that promotes healthier living for Durham seniors by helping them obtain and better manage needed medications and by providing health education, community referral, and advocacy.

Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared on the cash basis of accounting with modifications, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under that basis, certain revenues and the related assets are recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligations are incurred. Consequently, the Organization has not recognized pledges receivable from donors, accounts payable to vendors, accrued expenses, deferred rent, and their related effects on the change in net assets in the accompanying financial statements.

Property and Equipment

It is the Organization's policy to capitalize property and equipment with an original cost of \$500 or more and an estimated useful life of more than one year. Property and equipment are recorded at cost. Property and equipment received as non-cash contributions are not recorded in the financial statements. Depreciation is computed using both the straight-line method and the modified accelerated cost recovery system based on the estimated useful lives of the assets, ranging from five to seven years. Depreciation expense was \$2,062 and \$2,674 for the years ended June 30, 2009 and 2008, respectively.

Contributed Services

Many individuals volunteer their time and perform a variety of tasks that assist the Organization with its mission. The Organization received 2,078 and 2,703 volunteer hours (excluding Board and Committee participation) for the years ended June 30, 2009 and 2008, respectively. No contributed services have been recorded in the statement of revenues, expenses, and other changes in net assets.

Contributions

The Organization records contributions and grants when they are received.

Income Taxes

No provision has been made for income taxes in the financial statements. The Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501(c) (3). This code section enables the Organization to accept donations which qualify as charitable contributions to the donor.

Senior PharmAssist, Inc.
Notes to Financial Statements
June 30, 2009 and 2008

Note 1 - Nature of Activities and Summary of Significant Accounting Policies-(Continued)

Donor Imposed Restrictions

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenues are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. There were no such restrictions at June 30, 2009 and 2008.

Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of revenues, expenses, and other changes in net assets. Accordingly, certain costs have been allocated among the programs and services benefited.

Note 2 - Major Sources of Support

In fiscal years 2009 and 2008, the Organization received approximately 37% and 35%, respectively, of its total revenues from three grantors. A significant reduction in these levels of this support could have a significant effect on the Organization's program and activities.

Note 3 - Defined Contribution Plan

The Organization sponsors a defined contribution plan that covers all employees with annual compensation over \$5,000. Under the plan, participants may contribute any amount up to IRS limitations to the plan, and the Organization matches participants' contributions up to 3% of compensation. Contributions to the plan for the years ended June 30, 2009 and 2008 were \$11,288 and \$9,874, respectively.

Note 4 - Pharmaceutical Expenses

The Organization pays the cost of necessary prescriptions, less a nominal co-payment, for seniors meeting income eligibility requirements. The payments are made through a third-party administrator.

Note 5 - Leases

The Organization rents office space under the terms of an operating lease for a period of three years beginning June 1, 2006 at annual rent of \$22,515, payable monthly at that rate of \$1,876. The rent expense related to the lease for the years ended June 30, 2009 and 2008 was \$22,515.

Senior PharmAssist, Inc.
Notes to Financial Statements
June 30, 2009 and 2008

Note 5 - Leases-(Continued)

During the fiscal year 2009 the Organization signed a new lease to rent office space under the terms of an operating lease for a period of three years beginning July 1, 2009 at annual rent of \$30,289 with incremental rent increases each year. The Organization is on the modified cash basis and therefore will not recognize deferred rent expense. The future minimum lease payments remaining under lease obligations at June 30, 2009 are as follows:

Year ending June 30, 2010	\$	30,289
Year ending June 30, 2011		35,123
Year ending June 30, 2012		40,764

Note 6 - Concentration of Risk

The Organization maintains cash in financial institutions in excess of Federal Deposit Insurance Corporation (FDIC) limitations. Cash balances in excess of FDIC limitations were \$-0- and \$73,782 at June 30, 2009 and 2008, respectively.

Senior PharmAssist, Inc.
Schedule of Functional Expenses-Modified Cash Basis
For the Year Ended June 30, 2009 with Comparative Totals for 2008

	Program Services	Management and General	Fundraising	Total 2009	Total 2008
Salaries and related expenses	\$ 352,177	\$ 34,346	\$ 58,218	\$ 444,741	\$ 416,073
Pharmaceutical expenses	41,753	-	-	41,753	32,362
Rent/janitorial	17,836	1,724	2,955	22,515	22,515
Contract services	15,902	12,207	1,374	29,483	15,080
Telephone/internet	4,742	461	785	5,988	6,119
Printing	9,174	423	1,479	11,076	9,153
Supplies	3,880	330	861	5,071	9,827
Postage	2,762	268	477	3,507	3,458
Membership dues	2,176	73	325	2,574	2,158
Insurance	2,165	144	245	2,554	2,553
Miscellaneous	3,227	1,395	493	5,115	2,367
Maintenance agreements	920	89	152	1,161	1,232
Client transportation	1,149	-	-	1,149	1,051
Conferences attended	1,477	198	434	2,109	2,165
Travel	265	-	-	265	216
Publications	345	-	149	494	835
Conferences hosted	1,391	-	-	1,391	540
	<u>461,341</u>	<u>51,658</u>	<u>67,947</u>	<u>580,946</u>	<u>527,704</u>
Total expenses before depreciation and other adjustments					
Depreciation	<u>1,636</u>	<u>149</u>	<u>276</u>	<u>2,061</u>	<u>2,674</u>
Total expenses	<u>\$ 462,977</u>	<u>\$ 51,807</u>	<u>\$ 68,223</u>	<u>\$ 583,007</u>	<u>\$ 530,378</u>