Senior Community Services

Financial Statements

December 31, 2022 and 2021

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Independent Auditors' Report

To the Board of Directors of
Senior Community Services

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Senior Community Services (the Organization), which comprise the statements of financial position as of December 31, 2021 and 2022, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2021 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Baker Tilly US, LLP

Minneapolis, Minnesota
May 4, 2023

Senior Community Services

Statements of Financial Position
December 31, 2022 and 2021

	2022	2021
Assets		
Current Assets		
Cash and cash equivalents	$ 448,080	$ 627,550
Accounts receivable, net	457,349	179,741
Prepaid expenses	26,365	15,706
Cash and cash equivalents, restricted	81,361	167,513
Total current assets	1,013,155	990,510
Long-Term Assets		
Investments	1,015,617	1,263,272
Property and equipment, net	87,906	154,475
Right of use asset - operating	72,712	-
Total long-term assets	1,176,235	1,417,747
Total assets	$ 2,189,390	$ 2,408,257
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$ 29,709	$ 39,154
Accrued expenses	51,110	57,639
Lease liability - operating	48,005	-
Total current liabilities	128,824	96,793
Long-Term Liabilities		
Lease liability, net of current portion	24,707	-
Total liabilities	153,531	96,793
Net Assets		
Without donor restrictions, undesignated	954,498	1,143,951
Without donor restrictions, board designated	1,000,000	1,000,000
Total without donor restrictions	1,954,498	2,143,951
With donor restrictions	81,361	167,513
Total net assets	2,035,859	2,311,464
Total liabilities and net assets	$ 2,189,390	$ 2,408,257

See notes to financial statements

Senior Community Services

Statement of Activities
Year Ended December 31, 2022 (With Comparative Totals for 2021)

	Without Donor Restrictions	With Donor Restrictions	2022 Total	2021 Total
Revenue and Support				
Government grants	$ 1,314,438	$ -	$ 1,314,438	$ 1,203,783
Program service fees	378,197	-	378,197	429,205
Grants and contributions	458,568	1,000	459,568	471,688
In-kind support	453,615	-	453,615	411,931
Net assets released from restrictions	87,152	(87,152)	-	-
Total revenue and support	2,691,970	(86,152)	2,605,818	2,516,607
Expenses				
Program:				
HOME	1,111,445	-	1,111,445	1,014,816
Senior community centers	774,658	-	774,658	696,370
Senior outreach and caregiver services	593,744	-	593,744	555,368
Total program expenses	2,479,847	-	2,479,847	2,266,554
Support services:				
Management and general	93,641	-	93,641	103,429
Fundraising	165,762	-	165,762	167,253
Total support services	259,403	-	259,403	270,682
Total expenses	2,739,250	-	2,739,250	2,537,236
Change in net assets from operations	(47,280)	(86,152)	(133,432)	(20,629)
Other Changes				
Loss in long-term pension obligation, net	-	-	-	(133,579)
Investment return	(142,173)	-	(142,173)	53,770
Total other changes	(142,173)	-	(142,173)	(79,809)
Change in net assets	(189,453)	(86,152)	(275,605)	(100,438)
Net Assets, Beginning	2,143,951	167,513	2,311,464	2,411,902
Net Assets, Ending	$ 1,954,498	$ 81,361	$ 2,035,859	$ 2,311,464

Senior Community Services

Statement of Activities
Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Government grants	$ 1,203,783	$ -	$ 1,203,783
Program service fees	429,205	-	429,205
Grants and contributions	391,688	80,000	471,688
In-kind support	411,931	-	411,931
Net assets released from restrictions	130,882	(130,882)	-
Total revenue and support	2,567,489	(50,882)	2,516,607
Expenses			
Program:			
HOME	1,014,816	-	1,014,816
Senior community centers	696,370	-	696,370
Senior outreach and caregiver services	555,368	-	555,368
Total program expenses	2,266,554	-	2,266,554
Support services:			
Management and general	103,429	-	103,429
Fundraising	167,253	-	167,253
Total support services	270,682	-	270,682
Total expenses	2,537,236	-	2,537,236
Change in net assets from operations	30,253	(50,882)	(20,629)
Other Changes			
Loss in long-term pension obligation	(133,579)	-	(133,579)
Investment return	53,770	-	53,770
Total other changes	(79,809)	-	(79,809)
Change in net assets	(49,556)	(50,882)	(100,438)
Net Assets, Beginning	2,193,507	218,395	2,411,902
Net Assets, Ending	$ 2,143,951	$ 167,513	$ 2,311,464

See notes to financial statements

Senior Community Services

Statement of Functional Expenses

Year Ended December 31, 2022 (With Comparative Totals for 2021)

	Program Expenses				Support Services				
	HOME	Senior Community Centers	Senior Outreach and Caregiver Services	Total Programs	Management and General	Fundraising	Total Support Services	2022 Total	2021 Total
Salaries and wages	$ 674,354	$ 226,135	$ 390,738	$ 1,291,227	$ 42,906	$ 107,456	$ 150,362	$ 1,441,589	$ 1,298,888
Employee benefits	148,041	49,643	85,779	283,463	9,419	23,590	33,009	316,472	325,395
Total payroll and benefits	822,395	275,778	476,517	1,574,690	52,325	131,046	183,371	1,758,061	1,624,283
Occupancy	32,361	432,241	48,371	512,973	12,282	4,373	16,655	529,628	480,770
Professional fees	63,769	14,024	27,557	105,350	1,429	7,353	8,782	114,132	124,161
Contracted services	58,942	-	-	58,942	-	-	-	58,942	79,620
Mileage and meetings	32,650	1,324	2,108	36,082	22,722	1,786	24,508	60,590	47,178
Office and program supplies	18,635	11,407	2,066	32,108	54	1,597	1,651	33,759	20,132
Postage	5,565	1,046	1,933	8,544	110	1,037	1,147	9,691	10,408
Promotion and marketing	11,492	-	939	12,431	3,001	9,806	12,807	25,238	18,875
Insurance	9,894	2,959	4,475	17,328	262	1,347	1,609	18,937	18,341
Equipment rental	10,274	18,680	4,561	33,515	267	1,433	1,700	35,215	34,360
Telephone	7,064	3,687	8,536	19,287	187	963	1,150	20,437	20,633
Volunteer recognition	1,508	400	-	1,908	-	-	-	1,908	921
Miscellaneous	16	3,857	-	3,873	26	-	26	3,899	7,465
Total expenses before depreciation and amortization	1,074,565	765,403	577,063	2,417,031	92,665	160,741	253,406	2,670,437	2,487,147
Depreciation and amortization	36,880	9,255	16,681	62,816	976	5,021	5,997	68,813	50,089
Total expenses	$ 1,111,445	$ 774,658	$ 593,744	$ 2,479,847	$ 93,641	$ 165,762	$ 259,403	$ 2,739,250	$ 2,537,236
Percentage of total	40.6 %	28.3 %	21.7 %	90.5 %	3.4 %	6.1 %	9.5 %	100.0 %	

See notes to financial statements

Senior Community Services

Statement of Functional Expenses
Year Ended December 31, 2021

	Program Expenses				Support Services			
	HOME	Senior Community Centers	Senior Outreach and Caregiver Services	Total Programs	Management and General	Fundraising	Total Support Services	Total
Salaries and wages	$ 591,742	$ 202,043	$ 356,751	$ 1,150,536	$ 42,693	$ 105,659	$ 148,352	$ 1,298,888
Employee benefits	148,242	50,616	89,372	288,230	10,695	26,470	37,165	325,395
Total payroll and benefits	739,984	252,659	446,123	1,438,766	53,388	132,129	185,517	1,624,283
Occupancy	27,620	391,853	42,324	461,797	15,241	3,732	18,973	480,770
Professional fees	70,516	14,397	28,169	113,082	1,659	9,420	11,079	124,161
Contracted services	79,620	-	-	79,620	-	-	-	79,620
Mileage and meetings	25,257	1,348	3,732	30,337	15,343	1,498	16,841	47,178
Office and program supplies	10,166	3,850	2,393	16,409	100	3,623	3,723	20,132
Postage	6,030	1,146	2,272	9,448	132	828	960	10,408
Promotion and marketing	2,476	-	115	2,591	10,204	6,080	16,284	18,875
Insurance	9,095	3,273	4,217	16,585	263	1,493	1,756	18,341
Equipment rental	10,144	16,803	5,455	32,402	293	1,665	1,958	34,360
Telephone	7,127	3,739	8,391	19,257	206	1,170	1,376	20,633
Volunteer recognition	521	400	-	921	-	-	-	921
Miscellaneous	4	315	-	319	5,841	1,305	7,146	7,465
Total expenses before depreciation and amortization	988,560	689,783	543,191	2,221,534	102,670	162,943	265,613	2,487,147
Depreciation and amortization	26,256	6,587	12,177	45,020	759	4,310	5,069	50,089
Total expenses	$ 1,014,816	$ 696,370	$ 555,368	$ 2,266,554	$ 103,429	$ 167,253	$ 270,682	$ 2,537,236
Percentage of total	40.0 %	27.4 %	21.9 %	89.3 %	4.1 %	6.6 %	10.7 %	100.0 %

See notes to financial statements

Senior Community Services

Statements of Cash Flows
Years Ended December 31, 2022 and 2021

	2022	2021
Cash Flows From Operating Activities		
Change in net assets	$ (275,605)	$ (100,438)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation and amortization	68,813	50,089
Reinvested income	(25,933)	(17,267)
Realized and unrealized (gain)/loss on investments	173,588	(36,349)
(Increase) decrease in current assets:		
Accounts receivable	(277,608)	184,351
Prepaid expenses	(10,659)	12,074
Increase (decrease) in current liabilities:		
Accounts payable	(9,445)	11,476
Accrued expenses	(6,529)	(4,533)
PPP refundable advance	-	(251,200)
Change in pension obligation	-	206,047
Net cash flows from operating activities	(363,378)	54,250
Cash Flows From Investing Activities		
Purchases of property and equipment	(2,244)	(104,183)
Investment redemption	100,000	-
Net cash flows from investing activities	97,756	(104,183)
Change in cash and cash equivalents	(265,622)	(49,933)
Cash, Cash Equivalents and Restricted Cash, Beginning	795,063	844,996
Cash, Cash Equivalents and Restricted Cash, Ending	$ 529,441	$ 795,063
Supplemental Cash Flow Disclosure		
Acquisition of right of use asset in exchange for lease liability	$ 72,712	$ -

See notes to financial statements

1. Summary Significant Accounting Policies

Nature of Activities

Senior Community Services (SCS or the Organization), founded in 1950, is a nonprofit organization focused on empowering people as they age. In 2022, we served over 16,000 older adults and caregivers through the following programs:

Household & Outside Maintenance (HOME)

The HOME (Household & Outside Maintenance) program offers stable, equitable housing support for seniors (aged 60+) so they can remain in the homes and communities they love. This is accomplished through indoor & outdoor chores, housecleaning, minor repairs, safety assessments, and technology services. We serve ALL income levels. Services are provided on a sliding fee scale, meaning seniors pay what they can based on their income and no one is ever turned away for inability to pay. These services are provided by trusted and dedicated staff and volunteers. Background checks are conducted on all field staff. We try to pair each resident with the same workers and volunteers over time to facilitate engaging community relationships.

SCS expanded its technology services in 2022 and digital handypersons excel at meeting older adults where they are at:

1. In-person support at designated locations is the best option for step-by-step coaching to learn or troubleshoot a specific task or function.

2. Phone support is best option for tasks like resetting passwords, downloading an app, or accessing voicemail. Call during business hours for quick troubleshooting advice.

3. In-home visit is best option for getting help with home-based services like desktop computers, smart TVs, and streaming devices or troubleshooting home internet service.

For those who are low-income and without home internet or a current device, SCS' digital handypersons help find affordable internet service, provide a free laptop or device, assist with getting connected to the internet, and adjust security settings. We provide these services 1:1, through tech clinics, and tech give away events.

Service Area: Hennepin, Wright and Sherburne Counties

Senior Community Centers

SCS contracts with senior centers and cities to provide daily senior center operations management programming and activities for older adults. mnseniorcenters.org provides a hub of information on our senior centers. It also offers free online access to educational and recreational resources for seniors from anywhere in the world.

Service Area: Hennepin and Wright Counties

Senior Outreach & Caregiver Services

Senior Outreach helps seniors and their caregivers age well in place, with safety and dignity. We help clients connect with other helpful resources, locate housing alternatives, and plan for future needs. And when individual healthcare coverage can no longer fund needed services, we provide a safety net seamlessly continuing the case management and care coordination for the most vulnerable.

Caregiver Services meets families at the point of their greatest needs. Staff bring supportive counseling and caregiver services and coordination to individual caregivers and families to maintain a healthy balance in their lives. We provide caregiver coaching and consultation, family meeting facilitation, free caregiver support groups, resource assistance and educational presentations.

Service Area: Suburban Hennepin County and Caregivers in Hennepin, Carver, Scott, and Wright Counties

There are two other programs under the Senior Outreach & Caregiver Services' umbrella:

CareNextion.org

Developed and powered by SCS, CareNextion.org and the CareNextion app are revolutionizing the way families and caregivers are supporting their older loved ones. CareNextion strengthens informal support networks through centralized coordination of care, task assignment, journaling, and communication with care team members. Often, a spouse or adult child is struggling to provide all the care singlehandedly. Or, adult children, living far away, are trying to coordinate services from a distance. With CareNextion, they can create and manage a care team of relatives, trusted neighbors, and friends to share caregiving responsibilities. Caregiving is better organized, reducing the need for constant phone calling, and emailing multiple people. Caregivers can create, edit, and assign tasks to themselves and others on their care team. This helps organize and distribute responsibilities while enabling everyone to see which tasks are still outstanding. Caregivers can also create Journal entries to discuss larger issues, allowing other caregivers to reply with their thoughts and insights.

Service Area: Worldwide

Medicare Partners

Medicare Partners is a statewide program that helps low-income Medicare recipients bridge the gap between their burdensome medical bills and Medicare coverage. This program was transferred to the Seven County Senior Federation on October 1, 2022.

Service Area: Minnesota

Financial Statement Presentation

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

Without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations.

With Donor Restrictions – Net assets subject to donor-imposed stipulations that will be met by action of the Organization and/or passage of time.

Board Designated Net Assets

The Organization's Board of Directors has the ability to designate identified amounts of net assets without donor restrictions to be used by management for specific future projects or activities. These designations can be modified or removed by the Board of Directors at any time. At December 31, 2022 and 2021, the Organization has board-designated net assets of $1,000,000 for operations.

Revenue Recognition

Government grants are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statements of financial position. The Organization received cost-reimbursable grants with $718,161 and $113,954 that have not been recognized at December 31, 2022 and 2021 because qualifying expenditures have not yet been incurred.

Program service fees are recognized as revenue in the statements of activities as services are provided to customers.

Unconditional contributions and grants, including promises to give (e.g. pledges), are recognized as revenues in the period received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. There were no conditional promises to give at December 31, 2022 and 2021. Contributions and grants with no purpose or time restrictions defined by the donor are recognized as revenues of the class of net assets without donor restrictions upon the receipt of the contribution or grant. Contributions and grants received with donor-imposed restrictions that are met in the same year as received are reported as revenues of the class of net assets without donor restrictions.

Nonoperating activities represent activities not directly associated with the Organization's mission. Investment return and change in pension obligations are included in nonoperating activities.

Donated Materials, Services and Facilities

The Organization received donated services from a variety of unpaid volunteers assisting the Organization in providing management and programmatic services. However, no amounts for such volunteer efforts have been recognized in the accompanying statements of activities because the criteria for recognition under current accounting standards have not been satisfied. Contributions of materials, services and facilities that meet the criteria for recognition are recorded as support at their estimated fair value and are summarized in Note 8.

Cash and Cash Equivalents

For purposes of reporting cash flows, the Organization considers money market funds and investments with original maturities of three months or less to be cash equivalents. The Organization maintains its cash in savings and demand accounts and money market funds, which at times, exceed federally insured limits.

The following table provides a reconciliation of cash and cash equivalents on the cash flow statement to the amounts reported within the statements of financial position:

	2022	2021
Cash and cash equivalents	$ 448,080	$ 627,550
Cash and cash equivalents, restricted	81,361	167,513
Total	$ 529,441	$ 795,063

The restricted cash includes donor restricted funds.

Accounts Receivable

Accounts receivable are stated at their net realizable value. The majority of accounts receivable are from governmental agencies. Services are billed monthly, quarterly and annually. Accounts past due are individually analyzed for collectability. When all collection efforts have been exhausted, the account is written off. The allowance for bad debt is $5,000 at December 31, 2022 and 2021.

Investments

The Organization defines investments as financial instruments with a maturity greater than three months. Investments are valued using fair value measurement methods described in Note 3.

Property and Equipment

Property and equipment purchases are recorded at cost. Contributed items are recorded at fair market value at date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as donor restricted support. In the absence of such stipulation, contributions of property and equipment are recorded as support without donor-restrictions. Depreciation of property and equipment is computed using the straight-line method based on estimated useful lives of the assets as follows:

Furniture and equipment	3 – 7 years
Website	3 years
Database	5 years
Leasehold improvements	5 years

Normal repair and maintenance expenses are charged to operations as incurred. The Organization capitalizes property and equipment additions of $500 or more.

Functional Allocation of Expenses

The costs of programs and supporting services have been summarized on a functional basis. Salaries and related expenses are allocated to program and supporting services based on the time spent on the specific activity. The remaining expenses are specifically allocated whenever practical. Indirect costs are allocated based on square footage or full-time equivalents.

Impairment of Long-Lived Assets

The Organization reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. To date, there have been no such losses.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Tax-Exempt Status

The Organization has received notification that it qualifies as a tax-exempt organization under Section 501(c)(3) of the U.S. Internal Revenue Code and corresponding provisions of State law and, accordingly, is not subject to federal or state income taxes. However, unrelated business income may be subject to taxation.

Accounting standards require the Organization to evaluate positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by applicable tax authorities. Management has analyzed tax positions taken by the Organization, and has concluded that as of December 31, 2022 and 2021, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization's tax returns are subject to review and examination by federal and state authorities. The Organization is not currently under examination by any taxing jurisdiction.

New Accounting Pronouncements Adopted in the Current Year

Effective January 1, 2022, the Organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*, and all related amendments using the modified retrospective approach. The Organization elected to apply Topic 842 to all prior periods presented. Under ASU No. 2016-02, all of the Organization's leases are classified as operating leases. As a result of the implementation, the Organization recorded a right of use asset – operating and lease liability totaling $72,712. In addition, disclosures were expanded in Note 9.

In September 2020, FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958) Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. ASU No. 2020-07 improves financial reporting by providing new presentation and disclosure requirements about contributed nonfinancial assets, including additional disclosure requirements for recognized contributed services. The Organization has adopted the provisions of this new standard for the year ended December 31, 2022. The adoption of this standard did not have a significant impact on the Organization's financial statements. The additional disclosures required have been added in Note 8.

Subsequent Events

The Organization has evaluated subsequent events through May 4, 2023, which is the date that the financial statements were approved and available to be issued.

2. Liquidity and Availability

The following table reflects the Organization's financial assets as of December 31, 2022 and 2021, reduced by amounts not available for general expenditures within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year. Other financial assets that are excluded from this measure of liquidity include donor restricted and board-designated net assets. The Organization has $1,000,000 of board-designated net assets for operations as of December 31, 2022 and 2021. These designations can be modified or removed by the Board of Directors at any time.

	2022	2021
Financial assets:		
Cash and cash equivalents	$ 529,441	$ 795,063
Accounts receivable	457,349	179,741
Investments	1,015,617	1,263,272
Financial assets at December 31	2,002,407	2,238,076
Less those unavailable for general expenditure within one year:		
Net assets without donor restrictions, board designated	(1,000,000)	(1,000,000)
Net assets with donor restrictions	(81,361)	(167,513)
Financial assets not available for expenditures within one year	(1,081,361)	(1,167,513)
Financial assets available to meet cash needs for general purposes within one year	$ 921,046	$ 1,070,563

The Organization's practice is to structure its financial assets to be available as its general expenses, liabilities and obligations come due.

3. Fair Value Measurements and Investments

Fair Value Hierarchy

Fair value is defined in the accounting guidance as the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the assets or liability in an orderly transaction between market participants at the measurement date. Under this guidance, a three-level hierarchy is used for fair value measurements which are based on the transparency of information, such as the pricing source, used in the valuation of an asset or liability as of the measurement date.

Financial instruments measured and reported at fair value are classified and disclosed in one of the following three categories.

Level 1 – Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity can access at the report date.

Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. This includes quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, or market-corroborated inputs. The Organization has no Level 2 investments.

Level 3 – Inputs are unobservable for the asset or liability. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability (including assumptions about risk), using the best information available in the circumstances, which may include using the reporting entity's own data. The Organization has no Level 3 investments.

Valuation Techniques and Inputs

Level 1 assets include investments in mutual funds for which quoted prices are readily available.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls has been determined based on the lowest level input that is significant to the fair value measurement in its entirety. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

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 estimate of fair value at the reporting date.

There have been no changes in the techniques and inputs used as of December 31, 2022 and 2021.

The following table presents information about the Organization's assets measured at fair value on a recurring basis as of December 31, 2022 and 2021 based upon the three-level hierarchy:

	2022	2021
	Level 1	**Level 1**
Assets:		
Investments:		
Mutual funds, equities	$ 345,691	$ 446,867
Mutual funds, fixed income	669,926	816,405
Total	$ 1,015,617	$ 1,263,272

Investments, in general, are subject to various risks, including credit, interest and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the financial statements.

4. Property and Equipment, Net

Property and equipment at December 31 consisted of the following:

	2022	2021
Furniture and equipment	$ 81,505	$ 87,551
Websites	169,896	169,896
Database	84,334	84,334
Leasehold improvements	5,542	5,542
	341,277	347,323
Accumulated depreciation	(253,371)	(192,848)
Net book value	$ 87,906	$ 154,475

5. Major Sources of Revenue and Concentration of Risk

The Organization had receivables from three governmental agency representing 57 percent of total receivables for the year ended December 31, 2022 and from one governmental agency representing 20 percent of total receivables for the year ended December 31, 2021.

The Organization also received 25 percent of its revenue from two governmental agencies for the year ended December 31, 2022 and 22 percent of its revenue from two governmental agencies for the year ended December 31, 2021. If a significant reduction in the level of support were to occur, it is reasonably possible that it might have a significant effect on the Organization's programs and activities.

6. Net Assets

With Donor Restrictions Net Assets

With donor restrictions net assets are available for the following purposes or periods:

	2022	2021
Programs	$ 81,361	$ 167,513

Net Assets Released From Restrictions

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

	2022	2021
Programs	$ 87,152	$ 130,882

7. Retirement Plan

Defined Benefit Plan

The Organization had a noncontributory defined benefit pension plan which was frozen effective June 30, 2008. This plan was terminated and its assets were distributed in 2021.

The plan generally covered all full-time employees who reached age 21 and had completed one year of service. Pension benefits were based on years of service and compensation. The Organization's funding policy was consistent with the funding requirements of federal laws and regulations.

The Organization followed accounting guidance that required an employer to recognize the overfunded or underfunded status of a defined benefit postretirement plan as an asset or liability in its statement of financial position and to recognize changes in that funded status in the year in which the changes occur in net assets without donor restrictions.

Funded Status and Progress

A reconciliation of the pension plan funded status at December 31, 2021 the dates of the last actuarial valuations is as follows:

	2021
Change in projected benefit obligation:	
Projected benefit obligation at beginning of year	$ 2,349,744
Interest cost	41,404
Actuarial loss	23,432
Benefits paid	(2,414,580)
Projected benefit obligation at end of year	-
Change in plan assets:	
Fair value of plan assets at beginning of year	2,555,791
Actual return on plan assets	(68,743)
Transfer of assets to employer	(72,468)
Benefits paid	(2,414,580)
Fair value of plan assets at end of year	-
Funded status	$ -
Amounts recognized in the statement of financial position consist of:	
Noncurrent pension asset (pension obligation)	$ -

	2021
Components of net periodic pension costs:	
Interest cost	$ 41,404
Expected return on plan assets (net of investment expenses)	(117,258)
Amortization of actuarial loss	7,679
Net periodic pension cost	(68,175)
One-time settlement expense recognition	487,741
Total pension expense	$ 419,566
Weighted-average assumptions used to calculate the net periodic benefit cost:	
Discount rate	1.83 %
Expected return on plan assets	4.75 %

Defined Contribution Plan

The Organization also has a qualified defined contribution 401(k) plan covering substantially all employees after attainment of specified periods of service and minimum age requirements. The plan includes an Organization match of employee contributions up to 6 percent of a participant's salary. Retirement plan expense under this plan was $53,012 and $50,304 in 2022 and 2021, respectively.

8. In-Kind Support

The Organization records in-kind support at fair market value at date of donation. In-kind contributions expensed in program activities include the following for the years ended December 31:

	2022	2021
Occupancy	$ 435,241	$ 395,453
Equipment rental and telephone	13,403	15,172
Insurance	476	992
Miscellaneous	4,495	314
	$ 453,615	$ 411,931

The Organization also receives services that are not included in the financial statements because they do not meet the criteria for recognition as explained in Note 1. However, volunteer hours, donated in various capacities, totaled 33,700 and 28,300 for the years ended December 31, 2022 and 2021, respectively. The hours are calculated by the Organization and are not audited.

Office and programming space are provided at no charge to the Organization at four different locations. Each provider calculates their cost of providing the space. Those amounts are totaled and recorded as in-kind support in the statements of activities.

9. Lease Commitments

On July 10, 2013, the Organization entered into a 64 month lease for their current office space. On May 26, 2016, the Organization signed a 35 month extension to the lease through October 31, 2021. On September 24, 2021, the Organization signed a 32 month extension to the lease through June 30, 2024. This lease is accounted for as an operating lease.

Leases, January 1, 2022 and After

Right-of-use assets represent the Organization's right to use an underlying asset for the lease term, while lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Right-of-use assets and lease liabilities are recognized at the commencement date of a lease based on the net present value of lease payments over the lease term.

In determining the discount rate used to measure the right-of-use assets and lease liabilities, the Organization uses the rate implicit in the lease, or if not readily available, the Organization uses a risk-free rate based on U.S. Treasury notes or bond rates for a similar term.

Right-of-use assets are assessed for impairment in accordance with the Organization's long-lived asset policy. The Organization reassesses lease classification and remeasures right-of-use assets and lease liabilities when a lease is modified and that modification is not accounted for as a separate new lease or upon certain other events that require reassessment in accordance with Topic 842.

The right-of-use assets and lease liabilities were calculated using a discount rate of 0.60 percent. As of December 31, 2022, the remaining lease term was 1.50 years.

The table below summarizes the Organization's scheduled future minimum lease payments for years ending after December 31, 2022:

Years ending December 31:	Operating Lease
2023	$ 48,305
2024	24,749
Total lease payments	73,054
Less present value discount	(342)
Total lease liabilities	72,712
Less current portion	(48,005)
Long-term lease liabilities	$ 24,707

Rent expense on the office space operating lease was $98,048 and $83,793 for the years ended December 31, 2022 and 2021, respectively.

10. Paycheck Protection Program

On May 14, 2020, the Organization entered into a new loan facility with Premier Bank under the recent government enacted Paycheck Protection Program (PPP) (part of the Coronavirus Aid, Relief and Economic Stability Act) administered by the Small Business Administration (SBA). The Organization borrowed $251,200 under the loan facility. The loan carried a fixed interest rate of 1 percent and matured on May 14, 2022. No payments were required for ten months after the covered period (defined as eight to 24 weeks by the SBA). Borrowings under this facility were unsecured. Loans under the PPP have a loan forgiveness feature based on the level of payroll, rent and utilities costs over a 24 week period commencing on the date of the loan.

In May 2021, the Organization received legal release from the Small Business Administration and the full amount of the PPP loan had been forgiven, which was recorded as revenue in the statement of activities for the year ended December 31, 2021.

The SBA reserves the right to audit any PPP loan, regardless of size. These audits may occur after forgiveness has been granted. In accordance with the CARES Act, all borrowers are required to maintain their PPP loan documentation for six years after the PPP loan was forgiven or repaid in full and to provide that documentation to the SBA upon request.