

Senior Community Services

Financial Statements

December 31, 2024 and 2023

Senior Community Services

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Independent Auditors' Report

To the Board of Directors of
Senior Community Services

Opinion

We have audited the financial statements of Senior Community Services (the Organization), which comprise the statements of financial position as of December 31, 2024 and 2023, 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, 2024 and 2023, and the changes in its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

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 GAAP, 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 approved and 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 8, 2025

Senior Community Services

Statements of Financial Position

December 31, 2024 and 2023

| | <u>2024</u> | <u>2023</u> |
|--|---------------------|---------------------|
| Assets | | |
| Current Assets | | |
| Cash and cash equivalents | \$ 631,231 | \$ 572,893 |
| Accounts receivable, net | 291,651 | 312,903 |
| Prepaid expenses | 32,328 | 34,566 |
| Cash and cash equivalents, restricted | 54,386 | 75,637 |
| Total current assets | <u>1,009,596</u> | <u>995,999</u> |
| Long-Term Assets | | |
| Investments | 1,128,375 | 1,138,189 |
| Property and equipment, net | 25,524 | 35,266 |
| Right-of-use asset, operating | 191,214 | 25,027 |
| Total long-term assets | <u>1,345,113</u> | <u>1,198,482</u> |
| Total assets | <u>\$ 2,354,709</u> | <u>\$ 2,194,481</u> |
| Liabilities and Net Assets | | |
| Current Liabilities | | |
| Accounts payable | \$ 41,648 | \$ 45,033 |
| Accrued expenses | 52,682 | 76,973 |
| Deferred revenue | 11,000 | - |
| Lease liability, operating | 21,158 | 24,707 |
| Total current liabilities | <u>126,488</u> | <u>146,713</u> |
| Long-Term Liabilities | | |
| Lease liability, net of current portion | 185,599 | - |
| Total liabilities | <u>312,087</u> | <u>146,713</u> |
| Net Assets | | |
| Without donor restrictions, undesignated | 988,236 | 972,131 |
| Without donor restrictions, board-designated | 1,000,000 | 1,000,000 |
| Total without donor restrictions | 1,988,236 | 1,972,131 |
| With donor restrictions | 54,386 | 75,637 |
| Total net assets | <u>2,042,622</u> | <u>2,047,768</u> |
| Total liabilities and net assets | <u>\$ 2,354,709</u> | <u>\$ 2,194,481</u> |

See notes to financial statements

Senior Community Services

Statement of Activities

Year Ended December 31, 2024 (With Comparative Totals for 2023)

| | Without Donor Restrictions | With Donor Restrictions | 2024 Total | 2023 Total |
|--|---|--|-----------------------|-----------------------|
| Revenue and Support | | | | |
| Government grants | \$ 1,618,360 | \$ - | \$ 1,618,360 | \$ 1,791,556 |
| Program service fees | 358,574 | - | 358,574 | 289,599 |
| Grants and contributions | 407,513 | 14,000 | 421,513 | 468,978 |
| In-kind support | 159,355 | - | 159,355 | 391,375 |
| Net assets released from restrictions | 35,251 | (35,251) | - | - |
| Total revenue and support | <u>2,579,053</u> | <u>(21,251)</u> | <u>2,557,802</u> | <u>2,941,508</u> |
| Expenses | | | | |
| Program: | | | | |
| HOME | 1,297,695 | - | 1,297,695 | 1,441,744 |
| Senior community centers | 425,419 | - | 425,419 | 780,297 |
| Senior outreach and caregiver services | 637,047 | - | 637,047 | 542,305 |
| Total program expenses | <u>2,360,161</u> | <u>-</u> | <u>2,360,161</u> | <u>2,764,346</u> |
| Support services: | | | | |
| Management and general | 98,312 | - | 98,312 | 101,701 |
| Fundraising | 212,718 | - | 212,718 | 205,792 |
| Total support services | <u>311,030</u> | <u>-</u> | <u>311,030</u> | <u>307,493</u> |
| Total expenses | <u>2,671,191</u> | <u>-</u> | <u>2,671,191</u> | <u>3,071,839</u> |
| Change in net assets from operations | <u>(92,138)</u> | <u>(21,251)</u> | <u>(113,389)</u> | <u>(130,331)</u> |
| Nonoperating Activities | | | | |
| Investment return | 108,243 | - | 108,243 | 142,240 |
| Total other changes | <u>108,243</u> | <u>-</u> | <u>108,243</u> | <u>142,240</u> |
| Change in net assets | 16,105 | (21,251) | (5,146) | 11,909 |
| Net Assets, Beginning | <u>1,972,131</u> | <u>75,637</u> | <u>2,047,768</u> | <u>2,035,859</u> |
| Net Assets, Ending | <u>\$ 1,988,236</u> | <u>\$ 54,386</u> | <u>\$ 2,042,622</u> | <u>\$ 2,047,768</u> |

See notes to financial statements

Senior Community Services

Statement of Activities

Year Ended December 31, 2023

| | Without Donor Restrictions | With Donor Restrictions | Total |
|--|---|--|---------------------|
| Revenue and Support | | | |
| Government grants | \$ 1,791,556 | \$ - | \$ 1,791,556 |
| Program service fees | 289,599 | - | 289,599 |
| Grants and contributions | 459,878 | 9,100 | 468,978 |
| In-kind support | 391,375 | - | 391,375 |
| Net assets released from restrictions | 14,824 | (14,824) | - |
| Total revenue and support | <u>2,947,232</u> | <u>(5,724)</u> | <u>2,941,508</u> |
| Expenses | | | |
| Program: | | | |
| HOME | 1,441,744 | - | 1,441,744 |
| Senior community centers | 780,297 | - | 780,297 |
| Senior outreach and caregiver services | 542,305 | - | 542,305 |
| Total program expenses | <u>2,764,346</u> | <u>-</u> | <u>2,764,346</u> |
| Support services: | | | |
| Management and general | 101,701 | - | 101,701 |
| Fundraising | 205,792 | - | 205,792 |
| Total support services | <u>307,493</u> | <u>-</u> | <u>307,493</u> |
| Total expenses | <u>3,071,839</u> | <u>-</u> | <u>3,071,839</u> |
| Change in net assets from operations | <u>(124,607)</u> | <u>(5,724)</u> | <u>(130,331)</u> |
| Nonoperating Activities | | | |
| Investment return | 142,240 | - | 142,240 |
| Total other changes | <u>142,240</u> | <u>-</u> | <u>142,240</u> |
| Change in net assets | 17,633 | (5,724) | 11,909 |
| Net Assets, Beginning | <u>1,954,498</u> | <u>81,361</u> | <u>2,035,859</u> |
| Net Assets, Ending | <u>\$ 1,972,131</u> | <u>\$ 75,637</u> | <u>\$ 2,047,768</u> |

See notes to financial statements

Senior Community Services

Statement of Functional Expenses

Year Ended December 31, 2024 (With Comparative Totals for 2023)

| | Program Expenses | | | | Support Services | | | 2024 Total | 2023 Total |
|---|---------------------|--------------------------------|---|---------------------|---------------------------|-------------------|---------------------------|---------------------|---------------------|
| | HOME | Senior Community Centers | Senior Outreach and Caregiver Services | Total Programs | Management and General | Fundraising | Total Support Services | | |
| | | | | | | | | | |
| Salaries and wages | \$ 821,413 | \$ 189,044 | \$ 420,613 | \$ 1,431,070 | \$ 45,833 | \$ 121,770 | \$ 167,603 | \$ 1,598,673 | \$ 1,588,881 |
| Employee benefits | 181,900 | 41,863 | 93,144 | 316,907 | 10,150 | 26,966 | 37,116 | 354,023 | 360,093 |
| Total payroll and benefits | 1,003,313 | 230,907 | 513,757 | 1,747,977 | 55,983 | 148,736 | 204,719 | 1,952,696 | 1,948,974 |
| Occupancy | 30,679 | 142,645 | 46,013 | 219,337 | 16,929 | 4,146 | 21,075 | 240,412 | 487,753 |
| Professional fees | 91,468 | 15,718 | 43,519 | 150,705 | 2,031 | 10,239 | 12,270 | 162,975 | 138,060 |
| Contracted services | 59,016 | - | - | 59,016 | - | - | - | 59,016 | 46,266 |
| Mileage and meetings | 34,277 | 1,680 | 3,176 | 39,133 | 5,231 | 458 | 5,689 | 44,822 | 55,062 |
| Office and program supplies | 14,566 | 10,073 | 1,928 | 26,567 | 53 | 1,008 | 1,061 | 27,628 | 180,161 |
| Postage | 7,149 | 779 | 1,741 | 9,669 | 101 | 1,167 | 1,268 | 10,937 | 8,910 |
| Promotion and marketing | 6,324 | - | 8 | 6,332 | 551 | 39,480 | 40,031 | 46,363 | 40,717 |
| Insurance | 12,507 | 2,753 | 5,006 | 20,266 | 289 | 1,459 | 1,748 | 22,014 | 20,149 |
| Equipment rental | 12,585 | 13,747 | 5,024 | 31,356 | 289 | 1,457 | 1,746 | 33,102 | 31,965 |
| Telephone | 6,707 | 3,261 | 9,934 | 19,902 | 155 | 783 | 938 | 20,840 | 22,073 |
| Volunteer recognition | 1,421 | 400 | - | 1,821 | - | - | - | 1,821 | 1,595 |
| Miscellaneous | 413 | 362 | 28 | 803 | 16,300 | 1,770 | 18,070 | 18,873 | 33,744 |
| Total expenses before depreciation and amortization | 1,280,425 | 422,325 | 630,134 | 2,332,884 | 97,912 | 210,703 | 308,615 | 2,641,499 | 3,015,429 |
| Depreciation and amortization | 17,270 | 3,094 | 6,913 | 27,277 | 400 | 2,015 | 2,415 | 29,692 | 56,410 |
| Total expenses | <u>\$ 1,297,695</u> | <u>\$ 425,419</u> | <u>\$ 637,047</u> | <u>\$ 2,360,161</u> | <u>\$ 98,312</u> | <u>\$ 212,718</u> | <u>\$ 311,030</u> | <u>\$ 2,671,191</u> | <u>\$ 3,071,839</u> |
| Percentage of total | <u>48.6 %</u> | <u>15.9 %</u> | <u>23.8 %</u> | <u>88.4 %</u> | <u>3.7 %</u> | <u>8.0 %</u> | <u>11.6 %</u> | <u>100.0 %</u> | |

See notes to financial statements

Senior Community Services

Statement of Functional Expenses

Year Ended December 31, 2023

| | Program Expenses | | | | Support Services | | | 2023 Total |
|---|------------------|--------------------------------|---|-------------------|---------------------------|-------------|---------------------------|---------------|
| | HOME | Senior Community Centers | Senior Outreach and Caregiver Services | Total Programs | Management and General | Fundraising | Total Support Services | |
| Salaries and wages | \$ 800,406 | \$ 280,015 | \$ 346,345 | \$ 1,426,766 | \$ 44,463 | \$ 117,652 | \$ 162,115 | \$ 1,588,881 |
| Employee benefits | 181,398 | 63,461 | 78,493 | 323,352 | 10,077 | 26,664 | 36,741 | 360,093 |
| Total payroll and benefits | 981,804 | 343,476 | 424,838 | 1,750,118 | 54,540 | 144,316 | 198,856 | 1,948,974 |
| Occupancy | 35,411 | 375,369 | 52,648 | 463,428 | 19,540 | 4,785 | 24,325 | 487,753 |
| Professional fees | 78,771 | 17,869 | 29,864 | 126,504 | 1,719 | 9,837 | 11,556 | 138,060 |
| Contracted services | 46,266 | - | - | 46,266 | - | - | - | 46,266 |
| Mileage and meetings | 43,246 | 1,615 | 2,968 | 47,829 | 6,372 | 861 | 7,233 | 55,062 |
| Office and program supplies | 164,113 | 11,091 | 2,179 | 177,383 | 57 | 2,721 | 2,778 | 180,161 |
| Postage | 5,562 | 858 | 1,221 | 7,641 | 85 | 1,184 | 1,269 | 8,910 |
| Promotion and marketing | 8,692 | 340 | 36 | 9,068 | 1,023 | 30,626 | 31,649 | 40,717 |
| Insurance | 11,424 | 3,154 | 3,797 | 18,375 | 264 | 1,510 | 1,774 | 20,149 |
| Equipment rental | 12,119 | 13,936 | 4,028 | 30,083 | 280 | 1,602 | 1,882 | 31,965 |
| Telephone | 7,788 | 3,771 | 9,304 | 20,863 | 180 | 1,030 | 1,210 | 22,073 |
| Volunteer recognition | 1,195 | 400 | - | 1,595 | - | - | - | 1,595 |
| Miscellaneous | 12,584 | 759 | 530 | 13,873 | 16,884 | 2,987 | 19,871 | 33,744 |
| Total expenses before depreciation and amortization | 1,408,975 | 772,638 | 531,413 | 2,713,026 | 100,944 | 201,459 | 302,403 | 3,015,429 |
| Depreciation and amortization | 32,769 | 7,659 | 10,892 | 51,320 | 757 | 4,333 | 5,090 | 56,410 |
| Total expenses | \$ 1,441,744 | \$ 780,297 | \$ 542,305 | \$ 2,764,346 | \$ 101,701 | \$ 205,792 | \$ 307,493 | \$ 3,071,839 |
| Percentage of total | 46.9 % | 25.4 % | 17.7 % | 90.0 % | 3.3 % | 6.7 % | 10.0 % | 100.0 % |

See notes to financial statements

Senior Community Services

Statements of Cash Flows

Years Ended December 31, 2024 and 2023

| | <u>2024</u> | <u>2023</u> |
|--|--------------------------|--------------------------|
| Cash Flows From Operating Activities | | |
| Change in net assets | \$ (5,146) | \$ 11,909 |
| Adjustments to reconcile change in net assets to net cash flows from operating activities: | | |
| Depreciation and amortization | 29,692 | 56,410 |
| Noncash lease expense | 15,863 | (320) |
| Realized and unrealized gain on investments | (90,186) | (122,572) |
| (Increase) decrease in current assets: | | |
| Accounts receivable | 21,252 | 144,446 |
| Prepaid expenses | 2,238 | (8,201) |
| Increase (decrease) in current liabilities: | | |
| Accounts payable | (3,385) | 15,324 |
| Accrued expenses | (24,291) | 25,863 |
| Deferred Revenue | 11,000 | - |
| | <u>(42,963)</u> | <u>122,859</u> |
| Cash Flows From Investing Activities | | |
| Purchases of property and equipment | (19,950) | (3,770) |
| Investment redemption | 100,000 | - |
| | <u>80,050</u> | <u>(3,770)</u> |
| Change in cash and cash equivalents | 37,087 | 119,089 |
| Cash, Cash Equivalents and Restricted Cash, Beginning | <u>648,530</u> | <u>529,441</u> |
| Cash, Cash Equivalents and Restricted Cash, Ending | <u><u>\$ 685,617</u></u> | <u><u>\$ 648,530</u></u> |
| Supplemental Cash Flow Disclosure | | |
| Acquisition of right-of-use asset in exchange for lease liability | <u><u>\$ 201,213</u></u> | <u><u>\$ -</u></u> |

See notes to financial statements

Senior Community Services

Notes to Financial Statements
December 31, 2024 and 2023

1. Summary Significant Accounting Policies

Nature of Activities

Senior Community Services: Empowering People as They Age

Senior Community Services (SCS, the Organization), established in 1950, is a nonprofit organization dedicated to empowering older adults and caregivers. Last year, SCS served nearly 23,000 older adults and their caregivers, partnering with over 300 other entities, through the following programs:

Household & Outside Maintenance (HOME)

The HOME program ensures older adults (60+) can safely age in place by providing essential services such as housecleaning, minor repairs, safety assessments, and technology support. Services are accessible to all income levels and offered on a sliding fee scale, ensuring no one is turned away due to financial constraints. Trusted staff and volunteers deliver these services, fostering long-term community connections through consistent pairings with seniors.

In response to evolving needs, the program expanded in 2020 to include Tech Services, helping seniors navigate digital tools for social connection and access to critical services like healthcare. By addressing home safety and reducing isolation, HOME elevates the quality of life for seniors across Hennepin, Wright, Sherburne, and Carver Counties.

Senior Community Centers

Senior Centers connect older adults to their communities, reduce social isolation, and provide meaningful volunteer opportunities in Hennepin, Carver, and Wright Counties.

Senior Outreach & Caregiver Services

Senior Outreach provides care coordination and supportive counseling in suburban Hennepin County to support the independence of older adults, avoiding long-term nursing home placement. Caregiver Services includes 21 support groups, coaching/counseling, education, information/assistance, family meetings, caregiver e-news, and memory cafés, services that empower unpaid caregivers – family and friends. The team of licensed Social Workers, with nearly 200 years' combined experience, serve Carver, Hennepin, Scott, Sherburne, and Wright Counties.

The CareNextion.org care team tool is a free online tool to organize care for a loved one - National and International.

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, 2024 and 2023, the Organization has board-designated net assets of \$1,000,000 for operations.

Senior Community Services

Notes to Financial Statements

December 31, 2024 and 2023

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 met the conditions of the grant. Amounts received prior to meeting the conditions are reported as refundable advances in the statements of financial position. The Organization was awarded cost-reimbursable grants with \$205,355 and \$136,399 that have not been recognized at December 31, 2024 and 2023, respectively, 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. Revenue is recognized as performance obligations are satisfied. Generally, the performance obligations include services performed as outlined above.

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, 2024 and 2023. 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 returns 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:

| | <u>2024</u> | <u>2023</u> |
|---------------------------------------|-------------------|-------------------|
| Cash and cash equivalents | \$ 631,231 | \$ 572,893 |
| Cash and cash equivalents, restricted | 54,386 | 75,637 |
| Total | <u>\$ 685,617</u> | <u>\$ 648,530</u> |

The restricted cash includes donor restricted funds.

Senior Community Services

Notes to Financial Statements

December 31, 2024 and 2023

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.

The Organization recognizes an allowance for credit losses for receivables to present the net amount expected to be collected as of the date of the statement of financial position. Such allowance is based on the credit losses expected to arise over the life of the asset which includes consideration of past events and historical loss experience, current events and also future events based on our expectation as of the balance sheet date. Accounts past due are individually analyzed for collectability. When all collection efforts have been exhausted and it is determined that such receivables are uncollectible, the account is written off. The allowance for credit losses is \$6,000 at December 31, 2024 and 2023.

Contracts Assets

Contract assets include a portion of the accounts receivable and represent the Organization's right to consideration in exchange for program service fees where performance obligations are satisfied over the contract period.

The Organization's beginning and ending contract assets are included in accounts receivables on the statements of financial position as of December 31, 2024 and 2023. Contract assets are as follows for the years ended December 31:

| | <u>2024</u> | <u>2023</u> | <u>2022</u> |
|----------------------|-------------|-------------|-------------|
| Unbilled receivables | \$ 231,399 | \$ 274,586 | \$ 381,692 |
| HOME receivables | 59,816 | 38,865 | 50,167 |

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 |
| Websites | 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.

Senior Community Services

Notes to Financial Statements
December 31, 2024 and 2023

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.

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.

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, 2024 and 2023, 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.

Subsequent Events

The Organization has evaluated subsequent events through May 8, 2025, which is the date that the consolidated financial statements were approved and available to be issued.

Senior Community Services

Notes to Financial Statements
December 31, 2024 and 2023

2. Liquidity and Availability

The following table reflects the Organization's financial assets as of December 31, 2024 and 2023, 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, 2024 and 2023. These designations can be modified or removed by the Board of Directors at any time.

| | <u>2024</u> | <u>2023</u> |
|--|---------------------|---------------------|
| Financial assets: | | |
| Cash and cash equivalents | \$ 685,617 | \$ 648,530 |
| Accounts receivable, net | 291,651 | 312,903 |
| Investments | <u>1,128,375</u> | <u>1,138,189</u> |
| Financial assets at December 31 | <u>2,105,643</u> | <u>2,099,622</u> |
| 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 | <u>(54,386)</u> | <u>(75,637)</u> |
| Financial assets not available for expenditures within one year | <u>(1,054,386)</u> | <u>(1,075,637)</u> |
| Financial assets available to meet cash needs for general purposes within one year | <u>\$ 1,051,257</u> | <u>\$ 1,023,985</u> |

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.

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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, 2024 and 2023.

The following table presents information about the Organization's assets measured at fair value on a recurring basis as of December 31, 2024 and 2023 based upon the three-level hierarchy:

| | Level 1 | |
|----------------------------|---------------------|---------------------|
| | 2024 | 2023 |
| Assets: | | |
| Investments: | | |
| Mutual funds, equities | \$ 339,274 | \$ 426,950 |
| Mutual funds, fixed income | 789,101 | 711,239 |
| Total | <u>\$ 1,128,375</u> | <u>\$ 1,138,189</u> |

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.

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4. Property and Equipment, Net

Property and equipment at December 31 consisted of the following:

| | <u>2024</u> | <u>2023</u> |
|--------------------------|------------------|------------------|
| Furniture and equipment | \$ 41,802 | \$ 78,275 |
| Websites | 185,397 | 169,896 |
| Database | 84,334 | 84,334 |
| Leasehold improvements | <u>5,209</u> | <u>5,542</u> |
| | 316,742 | 338,047 |
| Accumulated depreciation | <u>(291,218)</u> | <u>(302,781)</u> |
| Net book value | <u>\$ 25,524</u> | <u>\$ 35,266</u> |

5. Major Sources of Revenue and Concentration of Risk

The Organization had receivables from three governmental agencies representing 63% and 57% of total receivables for the years ended December 31, 2024 and 2023, respectively.

The Organization also received 44% of its revenue from three governmental agencies for the year ended December 31, 2024 and 35% of its revenue from two governmental agencies for the year ended December 31, 2023. 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:

| | <u>2024</u> | <u>2023</u> |
|----------|------------------|------------------|
| Programs | <u>\$ 54,386</u> | <u>\$ 75,637</u> |

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.

| | <u>2024</u> | <u>2023</u> |
|----------|------------------|------------------|
| Programs | <u>\$ 35,251</u> | <u>\$ 14,824</u> |

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7. Retirement Plan

Defined Contribution Plan

The Organization has a qualified defined contribution 401(k) plan covering substantially all employees after attainment of specified periods of service and minimum age requirements. The Organization's plan includes a match of employee contributions up to 6% of a participant's salary. Retirement plan expense under this plan was \$50,188 and \$52,475 in 2024 and 2023, 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:

| | <u>2024</u> | <u>2023</u> |
|--------------------------------|-------------------|-------------------|
| Occupancy | \$ 145,645 | \$ 378,369 |
| Equipment rental and telephone | 12,882 | 12,056 |
| Insurance | 513 | 484 |
| Miscellaneous | 315 | 466 |
| | <u>\$ 159,355</u> | <u>\$ 391,375</u> |

The Organization also receives contributed 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 24,163 and 33,208 for the years ended December 31, 2024 and 2023, respectively. The hours are calculated by the Organization and are not audited.

During 2024 and 2023, office and programming space was provided at no charge to the Organization at four and three different locations, respectively. 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. On May 17, 2024, the Organization signed an 89 month extension to the lease through November 30, 2031. This lease is accounted for as an operating lease.

The right-of-use asset represents the Organization's right to use an underlying asset for the lease term, while the lease liability represents the Organization's obligation to make lease payments arising from the lease. Right-of-use asset and lease liability 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 asset and lease liability, 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.

The right-of-use asset is assessed for impairment in accordance with the Organization's long-lived asset policy. The Organization reassesses lease classification and remeasures the right-of-use asset and lease liability 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.

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The right-of-use asset and lease liability were calculated using a discount rate of 8.50%. As of December 31, 2024, the remaining lease term was 83 months.

The table below summarizes the Organization's scheduled future minimum lease payments for years ending after December 31, 2024:

| | <u>Operating Lease</u> |
|-----------------------------|------------------------|
| Year ending December 31: | |
| 2025 | \$ 37,654 |
| 2026 | 38,024 |
| 2027 | 38,782 |
| 2028 | 39,556 |
| 2029 | 40,346 |
| Thereafter | <u>79,599</u> |
| Total lease payments | 273,961 |
| Less present value discount | <u>(67,204)</u> |
| Total lease liabilities | 206,757 |
| Less current portion | <u>(21,158)</u> |
| Long-term lease liabilities | <u>\$ 185,599</u> |

Rent expense on the office space operating lease was \$94,129 and \$107,861 for the years ended December 31, 2024 and 2023, respectively.