

SENIOR SERVICES, INC. AND SUBSIDIARIES

Consolidated Financial Statements

June 30, 2023 and 2022

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Board of Directors
Senior Services, Inc. and Subsidiaries
Winston-Salem, North Carolina

INDEPENDENT AUDITORS' REPORT

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Senior Services, Inc. and Subsidiaries (a nonprofit organization), which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above presented fairly, in all material respects, the financial position of Senior Services, Inc. and Subsidiaries as of June 30, 2023 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Senior Services, Inc. and Subsidiaries 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Senior Services, Inc. and Subsidiaries' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 generally accepted auditing standards and *Government Auditing Standards* 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, including omissions, 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 consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, 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 Senior Services, Inc. and Subsidiaries' 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 Senior Services, Inc. and Subsidiaries' 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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of federal and state awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and by the Office of the State Auditor, and the consolidating statements of financial position and activities are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or the consolidated financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2023 on our consideration of Senior Services, Inc. and Subsidiaries' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Senior Services, Inc. and Subsidiaries' internal control over financial reporting and compliance.

Other Information Included in the Organization's Annual Report

Management is responsible for the other information included in the Organization's annual report. The other information comprises the financial and nonfinancial information included in the annual report; but it does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance on it.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Butler & Burke LLP

Winston-Salem, North Carolina
November 21, 2023

SENIOR SERVICES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	\$ 1,258,710	\$ 8,079,767
Restricted cash - NMTC CDE Reserve Fund	8,967,019	-
Certificates of deposit	621,870	261,071
Promises to give, net	6,169,215	7,222,930
Grants receivable	946,584	414,713
Program accounts receivable, net	282,609	126,353
NMTC leveraged loans receivable	15,006,250	-
Land lease receivable	52,221	59,744
Other receivables	196,611	23,670
Prepaid expenses	124,102	122,634
Funds held in escrow by others	621,946	-
Assets held for resale	19,980	19,980
Property and equipment, net	17,651,636	5,257,056
Endowment: Investments	5,482,559	4,728,464
Beneficial interests in assets held by others	<u>718,462</u>	<u>690,288</u>
<u>TOTAL ASSETS</u>	<u>\$ 58,119,774</u>	<u>\$ 27,006,670</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 2,157,771	\$ 578,482
Deferred revenue	14,982	14,418
Grant advance	-	5,000,000
Capital lease obligations	-	15,151
Financing lease liability	68,148	-
NMTC loans payable, net	<u>22,417,486</u>	<u>-</u>
<u>Total Liabilities</u>	<u>24,658,387</u>	<u>5,608,051</u>
Net Assets		
Without donor restrictions		
Board designated	228,087	300,885
Undesignated	<u>20,470,400</u>	<u>6,980,783</u>
	20,698,487	7,281,668
With donor restrictions		
	<u>12,762,900</u>	<u>14,116,951</u>
<u>Total Net Assets</u>	<u>33,461,387</u>	<u>21,398,619</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 58,119,774</u>	<u>\$ 27,006,670</u>

SENIOR SERVICES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Grant income	\$ 13,693,436	\$ -	\$ 13,693,436
Foundation support	298,763	130,000	428,763
Contributions	1,397,416	176,023	1,573,439
Capital campaign contributions	-	2,239,594	2,239,594
In-kind contributions	157,561	-	157,561
Program fees	1,594,437	-	1,594,437
Miscellaneous income	36,703	-	36,703
Interest and investment income, net	223,619	76,897	300,516
Realized and unrealized gains on investments	-	501,175	501,175
Change in value of beneficial interests	46,881	-	46,881
	<u>17,448,816</u>	<u>3,123,689</u>	<u>20,572,505</u>
Net assets released from restrictions			
Satisfaction of purpose restrictions	4,357,740	(4,357,740)	-
Satisfaction of time restrictions	120,000	(120,000)	-
	<u>4,477,740</u>	<u>(4,477,740)</u>	<u>-</u>
<u>Total Support and Revenue</u>	<u>21,926,556</u>	<u>(1,354,051)</u>	<u>20,572,505</u>
EXPENSES			
Program services	7,250,187	-	7,250,187
Management and general	775,887	-	775,887
Fundraising	483,663	-	483,663
	<u>8,509,737</u>	<u>-</u>	<u>8,509,737</u>
CHANGE IN NET ASSETS	13,416,819	(1,354,051)	12,062,768
Net Assets, Beginning of Year	<u>7,281,668</u>	<u>14,116,951</u>	<u>21,398,619</u>
Net Assets, End of Year	<u>\$ 20,698,487</u>	<u>\$ 12,762,900</u>	<u>\$ 33,461,387</u>

SENIOR SERVICES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Grant income	\$ 2,661,221	\$ -	\$ 2,661,221
Foundation support	246,227	120,000	366,227
Contributions	887,846	793,312	1,681,158
Capital campaign contributions	-	9,442,809	9,442,809
In-kind contributions	157,289	-	157,289
Program fees	1,454,911	-	1,454,911
Miscellaneous income	47,638	-	47,638
Interest and investment income, net	56,001	91,880	147,881
Realized and unrealized losses on investments	-	(923,062)	(923,062)
Change in value of beneficial interests	(88,963)	-	(88,963)
	<u>5,422,170</u>	<u>9,524,939</u>	<u>14,947,109</u>
Net assets released from restrictions			
Satisfaction of purpose restrictions	1,341,923	(1,341,923)	-
Satisfaction of time restrictions	136,325	(136,325)	-
	<u>1,478,248</u>	<u>(1,478,248)</u>	<u>-</u>
<u>Total Support and Revenue</u>	<u>6,900,418</u>	<u>8,046,691</u>	<u>14,947,109</u>
EXPENSES			
Program services	6,430,057	-	6,430,057
Management and general	493,366	-	493,366
Fundraising	1,250,608	-	1,250,608
<u>Total Expenses</u>	<u>8,174,031</u>	<u>-</u>	<u>8,174,031</u>
CHANGE IN NET ASSETS	(1,273,613)	8,046,691	6,773,078
Net Assets, Beginning of Year	<u>8,555,281</u>	<u>6,070,260</u>	<u>14,625,541</u>
Net Assets, End of Year	<u>\$ 7,281,668</u>	<u>\$ 14,116,951</u>	<u>\$ 21,398,619</u>

SENIOR SERVICES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2023

	<u>WADC</u>	<u>Meals-On-Wheels</u>	<u>Home Care</u>	<u>Living at Home</u>	<u>Other Programs</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 888,200	\$ 544,375	\$ 942,269	\$ 531,728	\$ 877,434	\$ 3,784,006	\$ 333,405	\$ 237,581	\$ 4,354,992
Benefits	107,037	81,188	138,005	74,393	105,956	506,579	152,652	18,301	677,532
Payroll taxes	54,024	33,642	58,041	32,656	51,538	229,901	79,107	13,983	322,991
Food	106,164	1,087,867	(32)	-	52,958	1,246,957	147	\$6,927	1,254,031
Utilities and communications	37,814	54,402	24,080	24,277	46,945	187,518	26,650	26,627	240,795
Fundraising events	-	-	-	-	-	-	-	76,888	76,888
Insurance	39,267	22,410	32,133	14,727	42,890	151,427	28,003	3,263	182,693
Travel	1,869	7,607	40,962	2,345	305	53,088	104	869	54,061
Program expense	44,754	37,894	15,872	4,503	41,978	145,001	4,389	56,896	206,286
Capital campaign	-	140.00	-	-	132,891	133,031	-	-	133,031
Taxes and fees	4,362	2,407	3,460	1,504	3,610	15,343	2,424	301	18,068
Advertising	22,810	24,961	19,585	16,027	36,809	120,192	6,513	2,392	129,097
Professional services	10,891	8,723	7,490	7,649	148,164	182,917	30,217	1,106	214,240
Bank and other fees	827	2,583	-	-	144	3,554	3,113	7,755	14,422
Lease costs	13,432	-	-	-	-	13,432	13,888	-	27,320
Supplies and maintenance	48,616	43,623	25,488	16,511	36,288	170,526	53,974	12,574	237,074
Conferences and training	2,979	2,987	1,740	3,722	19,512	30,940	13,064	4,189	48,193
Other	1,365	8.00	18	-	810	2,201	10,024	-	12,225
Provision for uncollectible accounts	433	-	2,108	9,696	82,435	94,672	-	-	94,672
Depreciation	71,021	49,037	11,209	18,214	29,421	178,902	18,213	14,011	211,126
	<u>\$ 1,455,865</u>	<u>\$ 2,003,854</u>	<u>\$ 1,322,428</u>	<u>\$ 757,952</u>	<u>\$ 1,710,088</u>	<u>\$ 7,250,187</u>	<u>\$ 775,887</u>	<u>\$ 483,663</u>	<u>\$ 8,509,737</u>

SENIOR SERVICES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2022

	<u>WADC</u>	<u>Meals-On-Wheels</u>	<u>Home Care</u>	<u>Living at Home</u>	<u>Other Programs</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 788,727	\$ 643,755	\$ 924,337	\$ 535,378	\$ 509,321	\$ 3,401,518	\$ 208,996	\$ 297,717	\$ 3,908,231
Benefits	127,458	116,026	209,890	92,877	87,504	633,755	37,661	33,353	704,769
Payroll taxes	58,216	47,591	68,293	39,511	37,204	250,815	13,967	22,848	287,630
Food	34,888	991,838	-	-	56,744	1,083,470	-	-	1,083,470
Utilities and communications	26,536	50,275	24,295	23,530	32,731	157,367	35,424	19,776	212,567
Fundraising events	-	-	-	-	-	-	-	40,823	40,823
Insurance	33,436	22,327	39,934	15,459	17,503	128,659	5,678	5,524	139,861
Travel	7,911	1,338	31,856	688	1,946	43,739	218	91	44,048
Program expense	30,078	69,347	17,404	4,058	42,528	163,415	8,062	28,415	199,892
Capital campaign	-	-	-	-	-	-	-	413,919	413,919
Taxes and fees	2,035	1,267	2,312	841	971	7,426	7,750	286	15,462
Advertising	8,168	22,995	8,350	4,774	6,946	51,233	37,128	4,905	93,266
Professional services	5,047	10,931	7,391	5,704	5,537	34,610	12,209	3,404	50,223
Bank and other fees	-	-	-	-	-	-	1,690	10,477	12,167
Lease costs	11,467	-	-	-	-	11,467	-	-	11,467
Supplies and maintenance	49,838	70,604	37,964	21,047	38,739	218,192	25,825	10,744	254,761
Conferences and training	3,503	5,285	3,699	1,914	1,496	15,897	18,543	1,340	35,780
Other	346	-	722	101	-	1,169	70,522	3,270	74,961
Provision for uncollectible accounts	-	-	-	35,589	-	35,589	-	337,168	372,757
Depreciation	72,920	54,950	13,535	19,469	30,862	191,736	9,693	16,548	217,977
	<u>\$ 1,260,574</u>	<u>\$ 2,108,529</u>	<u>\$ 1,389,982</u>	<u>\$ 800,940</u>	<u>\$ 870,032</u>	<u>\$ 6,430,057</u>	<u>\$ 493,366</u>	<u>\$ 1,250,608</u>	<u>\$ 8,174,031</u>

SENIOR SERVICES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
OPERATING ACTIVITIES		
Change in net assets	\$ 12,062,768	\$ 6,773,078
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	211,126	217,977
Realized and unrealized (gains) losses on investments	(501,175)	923,062
Change in value of beneficial interests	(46,881)	88,963
Loss (gain) on disposal of property and equipment	(12,602)	45,300
Provision for uncollectible accounts	94,671	372,757
Change in discount on promises to give	202,000	375,000
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Promises to give	803,678	(7,550,513)
Grants receivable	(531,871)	207,185
Accounts and other receivables	(368,308)	33,725
Prepaid expenses	(1,467)	(72,292)
Increase (decrease) in:		
Accounts payable and accrued expenses	268,980	137,694
Deferred revenue	564	481
Grant advance	(5,000,000)	5,000,000
Loan origination fees	(900,179)	-
Contributions restricted for long-term purposes	(176,023)	(296,652)
<u>Net Cash Provided by Operating Activities</u>	<u>6,105,281</u>	<u>6,255,765</u>
INVESTING ACTIVITIES		
Sales of investments	262,417	641,068
Purchases of investments	(886,459)	(391,977)
Distributions of beneficial interests	29,030	28,388
Purchases of property and equipment	(11,213,946)	(224,662)
Funds held in escrow by others	(621,946)	-
Leveraged loans issued	(15,006,250)	-
<u>Net Cash Provided by (Used in) Investing Activities</u>	<u>(27,437,154)</u>	<u>52,817</u>
FINANCING ACTIVITIES		
Loan proceeds	28,690,728	-
Loan repayments	(5,373,063)	-
Repayments of capital lease obligations	-	(21,641)
Repayments of finance lease liability	(15,853)	-
Contributions restricted for long-term purposes	176,023	296,652
<u>Net Cash Provided by Financing Activities</u>	<u>23,477,835</u>	<u>275,011</u>
Change in Cash and Restricted Cash	2,145,962	6,583,593
Cash and Restricted Cash, Beginning of Year	<u>8,079,767</u>	<u>1,496,174</u>
Cash and Restricted Cash, End of Year	<u>\$ 10,225,729</u>	<u>\$ 8,079,767</u>
<u>SUPPLEMENTAL INFORMATION:</u>		
Interest paid	<u>\$ 178,026</u>	<u>\$ 1,051</u>
Supplemental disclosure of noncash investing and financing activities:		
Additions to property and equipment represented by financing lease liability	<u>\$ 84,001</u>	<u>\$ -</u>

SENIOR SERVICES, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

NOTE A: ORGANIZATION AND NATURE OF ACTIVITIES

Senior Services, Inc. is a nonprofit organization incorporated in 1974. The mission and purpose of Senior Services, Inc. is to help older adults age at home as long as possible and live with dignity. With concern for those who care for senior adults, Senior Services, Inc. also strives to assist caregivers. Individuals who cannot afford to pay for services are of special concern to Senior Services, Inc. and receive assistance to every extent possible through philanthropic contributions and available public funds.

Senior Services Foundation, Inc. is a nonprofit organization incorporated in 2001 and is a legally separate organization from Senior Services, Inc. Senior Services Foundation, Inc. is a supporting organization of Senior Services, Inc. Senior Services, Inc. controls Senior Services Foundation, Inc. by voting for the majority of its board members. Therefore, the organizations are consolidated.

Senior Services Support Corp. is a nonprofit organization incorporated in 2022 and is a legally separate organization from Senior Services, Inc. Senior Services Support Corp. was formed to obtain financing for the New Market Tax Credit (NMTC) to construct the Intergenerational Center for Arts and Wellness which is expected to be complete in fall 2023. Senior Services Inc. has both economic interest and control over Senior Services Support Corp., therefore the organizations are consolidated.

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The consolidated financial statements of Senior Services, Inc. and Subsidiaries ("Senior Services") include the accounts of the Senior Services Foundation, Inc. ("Foundation") and Senior Services Support Corp. ("SSSC") (beginning July 1, 2022). All significant intercompany balances have been eliminated in consolidation.

The consolidated financial statements of Senior Services have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America (GAAP). Senior Services reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions - net assets that are not restricted by donors or for which donor-imposed restrictions have expired. If the board specifies a purpose where none has been stated, such funds are classified as board designated net assets without donor restrictions.

Net assets with donor restrictions - net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

SENIOR SERVICES, INC. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e. donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Cash, Cash Equivalents, and NMTC Reserve Fund

For purposes of reporting cash flows, Senior Services considers all cash investments with an original maturity of three months or less to be cash equivalents. These accounts at times may exceed federally insured limits. Senior Services has not experienced any losses on these accounts and management does not believe it is exposed to any significant credit risk.

Senior Services, Inc. entered into financing agreements in 2022 and 2023 to assist with the construction of the Intergenerational Center for Arts and Wellness. The financing agreements require Senior Services, Inc. to maintain cash received restricted for the construction in a separate account. The account is pledged as collateral and subject to control of the lenders at June 30, 2023 for its debt resulting from the NMTC transaction (see Note Q). The account is considered to be restricted cash and is presented as NMTC CDE Reserve Fund on the consolidated statements of financial position. For purposes of the consolidated cash flows, cash and restricted cash consists of the following at June 30:

	<u>2023</u>	<u>2022</u>
Cash	\$ 1,258,710	\$ 8,079,767
NMTC CDE Reserve Fund	<u>8,967,019</u>	<u>-</u>
Cash and restricted cash per consolidated statements of cash flows	<u>\$ 10,225,729</u>	<u>\$ 8,079,767</u>

Certificates of Deposit

Senior Services has certificates of deposit held at various local financial institutions. The original maturities of these certificates range from 9 to 12 months.

SENIOR SERVICES, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Senior Services carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair market values in the consolidated statements of financial position. Realized and unrealized gains and losses are included in the change in net assets in the accompanying consolidated statements of activities.

Senior Services' investments are held by a brokerage firm. It is reasonably possible that changes in values of investments will occur in the near term that such changes could materially affect the amounts reported.

Expenses relating to investment income, including custodial fees and investments advisory fees, have been netted against investment income in the consolidated financial statements. Investment expenses totaled \$17,027 and \$20,876 for the years ended June 30, 2023 and 2022, respectively.

Promises to Give

Contributions and non-government grants (promises to give) are recognized as revenues in the period the commitment is made. Senior Services records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contributions and grants revenue in the consolidated statements of activities. Senior Services determines an allowance for uncollectible promises to give based on historical experience, an assessment of the economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible. The allowance for uncollectible promises to give was \$354,906 and \$338,917 as of June 30, 2023 and 2022, respectively. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions upon which they depend are substantially met.

Grants Receivable

Grants receivable are stated at net realizable value. All grants receivable are expected to be collected within one year.

Program Accounts Receivable

Program accounts receivable is stated at the amounts management expects to collect from the outstanding balances. An allowance for uncollectible receivables of \$50,871 and \$24,579 was recorded as of June 30, 2023 and 2022, respectively.

SENIOR SERVICES, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NMTC Leveraged Loans Receivable

The NMTC leveraged loans receivable (LLR) consists of promissory notes receivable due to Senior Services, Inc. from SS Winston-Salem Investment Fund, LLC ("SSWSIF"). SSWSIF's sole member is another corporation that is wholly owned by a financial institution. The LLR is collateralized by SSWSIF's membership interest in CAHEC Sub-CDE XXII, TCDE96, LLC and CCG Sub-CDE61, LLC, (collectively the "CDEs") related to the NMTC transaction (see Note Q) and is stated at the principal amount outstanding. Payments on the LLR are allocated first to accrued and unpaid interest with the remainder to the outstanding principal balance. CDEs are also lenders to SSSC. Management assesses the credit quality of the LLR based on indicators such as collateralization, collection, experience, and management's internal metrics and reviews the collectability of the LLR on an ongoing basis. The LLR is periodically evaluated for impairment based on relevant facts and circumstances. Management has determined that no allowance is necessary, and no impairment has occurred as of June 30, 2023.

Property and Equipment

Senior Services capitalizes all expenditures for property and equipment in excess of \$5,000. Property and equipment are stated at cost unless donated. Donated equipment is stated at fair value at date of gift. Depreciation is provided on a straight-line basis over estimated useful lives of generally 3 to 15 years, except for buildings which are being depreciated over a life of 39 years.

Assets Held for Resale

Assets held for resale are comprised of donated burial plots and auction items to be sold in the future. These items are stated at their fair market value. The value of the donated items was \$19,980 at June 30, 2023 and 2022, respectively.

Beneficial Interests in Assets Held by Others

Senior Services has established trust arrangements with the Winston-Salem Foundation, the purpose of which is to provide endowments to support the future needs of Senior Services. Donor contributions and monies designated by the Board have been irrevocably transferred to the Winston-Salem Foundation, who will invest the funds and make quarterly earnings distributions to Senior Services or accumulated income funds within the endowments in an amount determined by the Winston-Salem Foundation. Senior Services has granted the Winston-Salem Foundation variance power, the unilateral power to redirect the use of the assets, but has retained a right to the assets by specifying itself as the beneficiary. Pursuant to GAAP, these endowments have been recognized as beneficial interests in assets held by others in the accompanying consolidated statements of financial position at the current market value of the underlying investments held by the Winston-Salem Foundation, which amounted to \$718,462 and \$690,288 as of June 30, 2023 and 2022, respectively. Senior Services is not subject to the Uniform Prudent Management of Institutional Funds Act or the endowment disclosure requirements of FASB ASC 958-205-50 for these funds since control over the funds was relinquished to the Winston-Salem Foundation.

SENIOR SERVICES, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received.

Donated Services and In-Kind Contributions

Contributions of assets other than cash are recorded at their estimated fair value. Senior Services reports revenues for the fair value of contributed services received where the services require specialized skills, are provided by individuals possessing these skills, and represent services that would have been purchased had they not been donated. A substantial number of volunteers donate significant amounts of time to Senior Services; however, no amounts have been reflected in the consolidated financial statements for these services since the donated services do not meet the above conditions for recognition under GAAP.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The primary expenses that are allocated include salaries, payroll taxes and benefits, food, supplies and maintenance, and depreciation, which are allocated based on time, effort, and square footage.

Advertising Expenses

Senior Services expenses advertising costs as incurred. For the years ended June 30, 2023 and 2022, advertising costs were \$129,097 and \$93,266, respectively.

Income Tax Status

Senior Services, Inc., Senior Services Foundation, Inc., and Senior Services Support Corp. are not-for-profit organizations and are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, income tax expense is limited to activities that are deemed by the Internal Revenue Service to be unrelated to their exempt purposes.

Senior Services, Inc.'s, Senior Services Foundation, Inc.'s and Senior Services Support Corp.'s primary tax positions relate to their status as not-for-profit entities exempt from income taxes and classification of activities related to their exempt purposes. It is the opinion of management that Senior Services, Inc., Senior Services Foundation, Inc., and Senior Services Support Corp. have no uncertain tax positions that would be subject to change upon examination.

SENIOR SERVICES, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Tax Status (Continued)

Senior Services, Inc., Senior Services Foundation, Inc., and Senior Services Support Corp. are required to file federal exempt organization tax returns (Form 990) annually to retain their exempt status. Senior Services, Inc., Senior Services Foundation, Inc., and Senior Services Support Corp. are also required to file exempt organization business income tax returns (Form 990-T) for any year unrelated business income exceeds \$1,000. Form 990 filings for Senior Services, Inc., Senior Services Foundation, Inc., and Senior Services Support Corp. are generally subject to examination by the Internal Revenue Service for three years after they are filed.

Estimates

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

Subsequent Events

Senior Services has evaluated its subsequent events (events occurring after June 30, 2023) through the date of this report, which represents the date the consolidated financial statements were available to be issued and determined that all significant events and disclosures are included in the consolidated financial statements.

Accounting Pronouncement Adopted in the Current Year

Lease Arrangements

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU No. 2016-02, *Leases* (Topic 842). This guidance requires the rights and obligations of new and existing lease arrangements to be recognized as assets and liabilities in the statements of financial position. The guidance also requires disclosures to better inform financial statement users of the amount, timing and uncertainty of cash flows arising from leases. The primary impact of this guidance, which is effective for periods beginning after December 15, 2021, will be to record right-of-use (ROU) assets and obligations for current operating and finance leases. Senior Services elected to adopt the requirements of the guidance effective July 1, 2022, and has elected to apply the provisions of this standard to the beginning of the period of adoption under ASU No. 2018-11, *Leases* (Topic 842) – *Targeted Improvements*. The adoption resulted in Senior Services reclassifying the existing capital lease assets as finance ROU assets, and existing capital lease obligations as finance lease liabilities as of July 1, 2022. There was no cumulative effect adjustment to the opening balance of net assets required.

In order to ease the transition process in the year of implementation, Senior Services has elected to adopt the package of practical expedients available in the year of adoption provided in ASU 2016-02 and has elected not to adopt the available practical expedient to use hindsight in determining the lease term and in assessing impairment of the ROU assets.

Senior Services has made the accounting policy election not to separate lease components from non-lease components, but rather will account for the components as a single lease component.

SENIOR SERVICES, INC. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting Pronouncement Adopted in the Current Year

Lease Arrangements

Senior Services has made the accounting policy election to not apply the recognition requirements of Topic 842 for short-term leases for all existing and future short-term leases for all classes of underlying assets. A short-term lease is defined as a lease that, at the commencement date, has a lease term of twelve months or less and does not include an option to purchase the underlying asset that the lessee is reasonably certain to exercise.

NOTE C: LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use within one year of the balance sheet date, comprise the following:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 1,258,710	\$ 8,079,767
Certificates of deposit	621,870	261,071
Promises to give, net	6,169,215	7,222,930
Grants receivables	946,584	414,713
Program accounts receivable, net	282,609	126,353
Land lease receivable	52,221	59,744
Other receivables	196,611	23,670
Assets held for resale	<u>19,980</u>	<u>19,980</u>
 Total financial assets	 9,547,800	 16,208,228
 Less those unavailable for general expenditure within one year due to:		
Purpose restrictions	(7,150,342)	(9,268,488)
Board designations	<u>(228,087)</u>	<u>(300,885)</u>
 Financial assets available to meet cash needs for general expenditure within one year	 <u>\$ 2,169,371</u>	 <u>\$ 6,638,855</u>

Senior Services has a goal to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Senior Services has reserves designated by the Board which it could draw upon in the event of an unanticipated liquidity need.

SENIOR SERVICES, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

NOTE D: FAIR VALUE MEASUREMENTS

Financial assets and liabilities required to be measured on a recurring basis (at least annually) are classified under a three-tier hierarchy. Fair value is the amount that would be received to sell an asset, or paid to settle a liability, in an orderly transaction between market participants at the measurement date.

Assets and liabilities measured at fair value are categorized depending on the observability of the inputs employed in their measurement. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are observable inputs other than quoted prices included within Level 1 for the asset or liability, such as quoted prices for similar assets or liabilities, quoted prices in inactive markets, or other inputs that can be corroborated by observable data for substantially the full term of the assets or liabilities. Level 3 inputs are unobservable for the asset or liability, including Senior Services' own assumptions in determining the fair value of assets or liabilities.

Valuation techniques used in the fair value measurements need to maximize the use of observable inputs and minimize the use of unobservable inputs. A valuation method may produce a fair value measurement that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although Senior Services believes its valuation methods are appropriate and consistent with those used by other market participants, the use of different methodologies or assumptions could result in different fair value measurements at the reporting date.

The following is a description of the valuation methodologies used by Senior Services for assets measured at fair value:

Investments: Mutual funds are valued at the closing price reported on active markets on which the individual securities are traded (Level 1).

Beneficial Interests In Assets Held By Others: Equities and fixed income funds within the Winston-Salem Foundation endowment pool are valued at the closing price reported on the active markets on which the individual securities are traded. Although the measurement is based on the unadjusted fair value of trust assets reported by the Winston-Salem Foundation, Senior Services has limited access to these funds. A substantial amount of the monies have been irrevocably assigned to the Winston-Salem Foundation and Senior Services is only able to redeem accumulated income that the Winston-Salem Foundation has transferred to the grantable funds accounts within the endowments. The remaining endowment funds are available for specific uses based on the agreement by both Senior Services and the Winston-Salem Foundation. Therefore, Senior Services considers the measurement of its beneficial interests in assets held by the Winston-Salem Foundation to be a Level 3 measurement within the fair value hierarchy.

SENIOR SERVICES, INC. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS

NOTE D: FAIR VALUE MEASUREMENTS (CONTINUED)

The following table sets forth by level, within the fair value hierarchy, the assets of Senior Services measured at fair value on a recurring basis as of June 30, 2023 and 2022:

	<u>2023</u>			<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Assets:				
Investments				
Mutual funds				
Fixed Income	\$ 1,358,743	\$ -	\$ -	\$ 1,358,743
Equities	3,837,015	-	-	3,837,015
Cash funds	<u>286,801</u>	<u>-</u>	<u>-</u>	<u>286,801</u>
	5,482,559	-	-	5,482,559
Beneficial interests in assets held by others	<u>-</u>	<u>-</u>	<u>718,462</u>	<u>718,462</u>
Total assets at fair value	<u>\$ 5,482,559</u>	<u>\$ -</u>	<u>\$ 718,462</u>	<u>\$ 6,201,021</u>
	<u>2022</u>			<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Assets:				
Investments				
Mutual funds				
Fixed Income	\$ 1,310,587	\$ -	\$ -	\$ 1,310,587
Equities	3,193,785	-	-	3,193,785
Cash funds	<u>224,092</u>	<u>-</u>	<u>-</u>	<u>224,092</u>
	4,728,464	-	-	4,728,464
Beneficial interests in assets held by others	<u>-</u>	<u>-</u>	<u>690,288</u>	<u>690,288</u>
Total assets at fair value	<u>\$ 4,728,464</u>	<u>\$ -</u>	<u>\$ 690,288</u>	<u>\$ 5,418,752</u>

The table below sets forth a summary of changes in the fair value of Senior Services' level 3 assets for the years ended June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Assets:		
Balance, beginning of year	\$ 690,288	\$ 805,291
Additions	10,323	2,348
Change in value of beneficial interests	46,881	(88,963)
Distributions	<u>(29,030)</u>	<u>(28,388)</u>
Balance, end of year	<u>\$ 718,462</u>	<u>\$ 690,288</u>

SENIOR SERVICES, INC. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS

NOTE E: PROMISES TO GIVE

In connection with a capital campaign and other projects, Senior Services solicited pledges to help fund new building construction and other various initiatives. Unconditional promises to give are recorded at the present value of estimated future cash flows with a discount rate of 4.5%. As of June 30, 2023, unconditional promises to give are expected to be realized in the following periods:

Due within one year	\$ 2,338,771
Due in one to five years	<u>4,762,350</u>
	7,101,121
Allowance for uncollectible promises to give	(354,906)
Discount to present value	<u>(577,000)</u>
	<u>\$ 6,169,215</u>

NOTE F: LAND LEASE

The land on which the Williams Adult Day Center was constructed is owned by Atrium Health Wake Forest Baptist. Beginning in January 1999, Atrium Health Wake Forest Baptist leased the land to Senior Services at a nominal annual rent of one dollar for 30 years through 2029. The amount of \$52,221, representing the present value of the future use of the land at June 30, 2023, is included in land lease receivable on the consolidated statements of financial position. Lease expense was \$11,467 for the years ended June 30, 2023 and 2022, respectively.

NOTE G: PROPERTY AND EQUIPMENT

Property and equipment is summarized as follows at each June 30:

	<u>2023</u>	<u>2022</u>
Buildings	\$ 5,855,218	\$ 5,855,218
Furniture and equipment	1,825,094	1,703,178
Land and improvements	1,795,057	1,795,057
Construction in progress	11,978,394	196,546
Assets not in service	<u>650,551</u>	<u>-</u>
	22,104,314	9,549,999
Less accumulated depreciation	<u>(4,452,678)</u>	<u>(4,292,943)</u>
	<u>\$ 17,651,636</u>	<u>\$ 5,257,056</u>

Depreciation expense was \$211,126 and \$217,977 for the years ended June 30, 2023 and 2022, respectively.

SENIOR SERVICES, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

NOTE H: ENDOWMENT FUNDS

Senior Services Foundation, Inc. has established multiple named funds with the donor-imposed purpose of providing a permanent endowment to generate annual income for various programs within Senior Services, Inc. In accordance with GAAP, these endowments have been recognized as assets restricted for endowments in the accompanying consolidated statements of financial position at the current market value of the underlying investments.

The Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation retains in perpetuity (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the funds.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

Funds with Deficiencies. From time to time, the fair value of the assets associated with the donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as funds of perpetual duration (underwater endowments). The individual funds with deficiencies totaled \$25,854 and \$174,859 at June 30, 2023 and 2022 respectively. The deficiency resulted from unfavorable market fluctuations on the underlying investments.

Investment Return Objectives, Risk Parameters and Strategies. The Foundation has adopted investment and spending policies, approved by the Board, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve a rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix that is intended to result in a consistent rate of return that has sufficient liquidity to make an annual distribution of 5%, while growing the fund, if possible. Investment risk is measured in terms of the total endowment funds; investment assets and allocation between asset classes and strategies are managed to not expose the funds to unacceptable levels of risk.

SENIOR SERVICES, INC. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS

NOTE H: ENDOWMENT FUNDS (CONTINUED)

Endowment net asset composition as of June 30, 2023 and 2022 is as follows:

<u>2023</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 4,983,406	\$ 4,983,406
Net accumulated investment gains	-	499,153	499,153
	<u>\$ -</u>	<u>\$ 5,482,559</u>	<u>\$ 5,482,559</u>
<u>2022</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 4,807,383	\$ 4,807,383
Net accumulated investment losses	-	(78,919)	(78,919)
	<u>\$ -</u>	<u>\$ 4,728,464</u>	<u>\$ 4,728,464</u>

Spending Policy. The Foundation has a policy of appropriating for distribution each year up to 5% of its endowment fund's average fair value of the prior twelve quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Foundation considered the long-term expected return on its investment assets, the nature and duration of the endowment fund, a portion of which must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation. The Foundation expects the current spending policy to allow its endowment funds to grow at a rate consistent with the Foundation's objective to maintain the purchasing power of the endowment assets as well as to provide additional growth through investment return.

SENIOR SERVICES, INC. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS

NOTE H: ENDOWMENT FUNDS (CONTINUED)

Changes in endowment net assets during the years ended June 30, 2023 and 2022 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
2023			
Endowment net assets, beginning of year	\$ -	\$ 4,728,464	\$ 4,728,464
Contributions	-	176,023	176,023
Investment return, net	-	578,072	578,072
	<u>-</u>	<u>578,072</u>	<u>578,072</u>
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 5,482,559</u>	<u>\$ 5,482,559</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
2022			
Endowment net assets, beginning of year	\$ -	\$ 5,463,002	\$ 5,463,002
Contributions	-	296,652	296,652
Investment return, net	-	(831,182)	(831,182)
Supporting distributions to Senior Services, Inc.	-	(200,008)	(200,008)
	<u>-</u>	<u>(200,008)</u>	<u>(200,008)</u>
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 4,728,464</u>	<u>\$ 4,728,464</u>

In addition to the endowment funds above, Senior Services has seven trusts administered by the Winston-Salem Foundation, which were established by outside donors. Senior Services does not have title to the assets of the trusts, and accordingly the trust assets are not reflected in the accompanying consolidated financial statements. The aggregate value of these trusts was \$3,304,683 and \$1,901,749 at June 30, 2023 and 2022, respectively. Income distributions from these trusts were \$71,807 and \$51,396 during the years ended June 30, 2023 and 2022, respectively.

NOTE I: LEASE COMMITMENTS

Senior Services leases office equipment under a long-term non-cancelable finance lease arrangement expiring in July 2027.

Total right-of-use assets and liabilities at June 30, 2023 are classified as follows in the statement of financial position:

Lease assets	
Financing lease right-of-use asset (included in property and equipment)	<u>\$ 68,148</u>
Lease liabilities	
Financing lease liability	<u>\$ 68,148</u>

SENIOR SERVICES, INC. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS

NOTE I: LEASE COMMITMENTS (CONTINUED)

Total lease costs for the year ended June 30, 2023 are as follows:

Financing lease costs	
Amortization	\$ 12,707
Interest	<u>3,146</u>
	15,853
Land lease expense	<u>11,467</u>
	27,320
Total lease costs	<u><u>\$ 27,320</u></u>

The following summarizes the weighted average remaining lease term and discount rate as of June 30, 2023:

Weighted average discount rate	5%
Weighted average remaining lease term	4 years

Future minimum lease payments under the financing lease are as follows:

2024	\$ 19,023
2025	19,023
2026	19,023
2027	19,023
2028	<u>1,585</u>
Total lease payments	77,677
Less: interest	<u>(9,529)</u>
	68,148
Present value of lease liabilities	<u><u>\$ 68,148</u></u>

Disclosures related to periods prior to the adoption of the new lease standard:

Senior Services leases equipment under capital leases expiring through December 2022. Future minimum lease payments under noncancellable leases with initial or remaining terms of one year or more are summarized as follows at each June 30:

2023	\$ 17,851
Less amount representing maintenance	(2,476)
Less amount representing interest	<u>(224)</u>
	15,151
Present value of net minimum lease payments	<u><u>\$ 15,151</u></u>

SENIOR SERVICES, INC. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS

NOTE J: NET ASSETS WITHOUT DONOR RESTRICTIONS DESIGNATED FOR SPECIAL PURPOSES

Senior Services maintains unrestricted funds, some of which are designated by the Board for certain special purposes. The amounts of such designated net assets were as follows at each June 30:

	<u>2023</u>	<u>2022</u>
Aging with Purpose	\$ -	\$ 40,885
Bequests	<u>228,087</u>	<u>260,000</u>
	<u>\$ 228,087</u>	<u>\$ 300,885</u>

NOTE K: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at each June 30:

	<u>2023</u>	<u>2022</u>
Subject to expenditure for specified purposes:		
Creative Connections	\$ 7,098,120	\$ 9,208,743
Land lease	<u>52,221</u>	<u>59,744</u>
	7,150,341	9,268,487
Subject to passage of time	<u>130,000</u>	<u>120,000</u>
	<u>7,280,341</u>	<u>9,388,487</u>
Endowments:		
Subject to endowment spending policy or appropriation:		
Original gifts (corpus) for:		
Day Center scholarships and maintenance	1,834,139	1,834,139
Meals on Wheels	1,107,868	966,986
Other scholarships and program support	2,041,399	2,006,258
Unappropriated endowment earnings for:		
Day Center scholarships and maintenance	220,530	2,738
Meals on Wheels	96,000	-
Other scholarships and program support	182,623	-
Accumulated deficit for:		
Meals on Wheels	-	(29,044)
Other scholarships and program support	-	(52,613)
	<u>5,482,559</u>	<u>4,728,464</u>
	<u>\$ 12,762,900</u>	<u>\$ 14,116,951</u>

SENIOR SERVICES, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

NOTE L: RETIREMENT PLANS

Senior Services has a 403(b) retirement plan available to all employees who consistently work 20 or more hours per week annually. Senior Services matches 100% of its employee's contributions up to 5%. Retirement plan expense totaled \$176,758 and \$167,176 for the years ended June 30, 2023 and 2022, respectively.

NOTE M: RELATED PARTY TRANSACTIONS

Senior Services transferred \$176,023 and \$296,652 of donor-restricted contributions for the endowment to the Foundation during the years ended June 30, 2023 and 2022, respectively. The Foundation disbursed \$200,008 to Senior Services as its yearly distribution during the year ended June 30, 2022. There were no distributions during the year ended June 30, 2023. These transactions have been eliminated through consolidation. Senior Services also received contributions from board members totaling \$447,553 and \$621,600 during the years ended June 30, 2023 and 2022, respectively. There were \$431,915 and \$396,092 of promises to give from past pledges made by board members as of June 30, 2023 and 2022, respectively.

NOTE N: CONTINGENCIES

Financial awards from federal and state governmental entities in the form of grants are subject to review and/or audit. Such review could result in claims against Senior Services for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such review or audit since the amount, if any, cannot be determined at this date.

NOTE O: CONDITIONAL PROMISES TO GIVE

Senior Services is the beneficiary of charitable remainder trusts held by the Winston-Salem Foundation. Upon the deaths of the survivors of the grantors, a percentage of the funds and properties then remaining in the trusts will be transferred and conveyed to Senior Services. The market value of Senior Services' share of these charitable remainder trusts as of June 30, 2023 and 2022 was \$66,891 and \$278,672, respectively. Although these trusts are irrevocable, the grantors may amend or revoke the charitable beneficiaries by a specific written instrument provided to them by the Trustee. Therefore, these trusts are considered conditional promises to give and are not reflected in the consolidated financial statements.

SENIOR SERVICES, INC. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS

NOTE P: IN-KIND CONTRIBUTIONS

Senior Services received the following in-kind contributions for the years ended June 30:

	<u>2023</u>	<u>2022</u>
Food and program supplies	\$ 125,774	\$ 109,483
Professional services	<u>31,787</u>	<u>47,806</u>
	<u>\$ 157,561</u>	<u>\$ 157,289</u>

Senior Services receives donated food and program supplies to be used in its various programs. During the years ended June 30, 2023 and 2022, these items were provided to Senior Services at no cost. These supplies are valued based on current market retail prices at time of donation.

Senior Services was also provided professional services at no cost. These services are valued based on current rates for similar services and are used in various programs and supporting functions at Senior Services.

All in-kind contributions received by Senior Services for the years ended June 30, 2023 and 2022 were considered without donor restrictions and able to be used by Senior Services as determined by the board of directors and management.

NOTE Q: NEW MARKET TAX CREDIT PROGRAM AND PROJECT

The New Market Tax Credit (NMTC) program was designed to stimulate investment and economic growth in low-income communities by offering taxpayers a 39% tax credit against federal income taxes over a seven-year period for Qualified Equity Investment (QEIs) in designated Community Development Entities (CDEs). CDEs receive NMTC allocations pursuant to Section 45D of the Internal Revenue Code. These designated CDEs must use substantially all of the proceeds to make Qualified Low-Income Community Investments (QLICI). To earn the tax credit, the QEI must remain invested in the CDE for a seven-year period. Also, the entity receiving the loans needs to be treated as a Qualified Active Low-Income Community Business (QALICB) for the duration of the seven-year period. The QALICB requirements are outlined in Treasury Regulation Section 1.45D-1 (d)(4)(i).

SENIOR SERVICES, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

NOTE Q: NEW MARKET TAX CREDIT PROGRAM AND PROJECT (CONTINUED)

In December of 2022 and January of 2023, Senior Services, Inc. entered into multiple agreements, assisted by the NMTC program, to facilitate construction on an approximately 62,000 square foot building project at 114 West 30th Street in Winston-Salem, NC (Project Property). Construction is set to be completed in late fall 2023.

Prior to the NMTC transaction closing, Senior Services, Inc. received funding from a variety of sources including private foundations, individuals, their internal reserves, and other charitable organizations to fund the project. The combined amount of the pre-close funding approximated \$15,006,250.

As a part of the closing, the Senior Services, Inc.'s funds raised prior to closing were used to pay transaction costs, provide for the initial capitalization of SSSC, and to fund the NMTC leveraged loans receivable to SS Winston-Salem Investment Fund, LLC (SSWSIF) whose sole member is Truist Community Capital, LLC (TCC), a third party unrelated to Senior Services, Inc. and SSSC.

SSWSIF used the funding from the leveraged loans along with an approximate \$6,156,150 capital contribution from TCC to make a capital contribution to CAHEC Sub-CDE XXII of \$12,500,000, TCDE96, LLC of \$3,000,000 and CCG Sub-CDE61, LLC of \$5,000,000. SSWSIF has a 99.99% membership interest in each of the CDEs. The CDEs, in turn, used the funding to originate the six QLICI Loans (see page 30) due from SSSC. SSSC used the proceeds from these loans, along with the initial contribution from Senior Services, Inc. to fund the CDE Reserve Fund (See Note B), pay professional fees associated with the NMTC transaction, and fund construction costs for the Project Property. Also, as a part of the closing, Senior Services, Inc. transferred title to the underlying ground lease, which was originally leased by Senior Services, Inc. in December 2022 to SSSC for \$1 per year. Beginning in January 2024, Senior Services, Inc. will lease the new building from SSSC and make payments quarterly. These payments will be eliminated upon consolidation.

The transaction is subject to a put/call option agreement. TCC has a put option whereby upon exercise of the option after the last day of the tax credit investment period, Senior Services, Inc. has the ability to purchase TCC's 100% membership interest in the SSWSIF for \$1,000. If the put option is not exercised within the put option period, Senior Services, Inc. has a call option whereby, if exercised, they have the right to purchase TCC's membership interest in the SSWSIF at fair value.

The tax credits associated with the transaction are contingent on the organization maintaining compliance with applicable portions of Section 45D of the Internal Revenue Code. Failure to maintain compliance or to correct noncompliance within a specified time period could result in recapture of previously taken tax credits plus penalties and interest. Senior Services, Inc. and SSSC have both signed a QALICB Indemnification Agreement that obligates them, jointly and severally, to pay any NMTC recapture amount, as defined in Section 45D(g)(2) of the Internal Revenue Code, to investors within the NMTC structure with respect to related tax credits that have been claimed with respect to the \$20,500,000 designated qualified equity investment amount at the time of any recapture or disallowance of tax credits claimed. Recapture or disallowance can result from SSSC failing to qualify as a QALICB, failure of CAHEC Sub-CDE XXII, TCDE96, LLC and CCG Sub-CDE61, LLC loans to qualify as a qualified low-income community investment (QLICI), among others.

SENIOR SERVICES, INC. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS

NOTE Q: NEW MARKET TAX CREDIT PROGRAM AND PROJECT (CONTINUED)

NMTC Leveraged Loans Receivable

NMTC leveraged loans receivable, also previously referred to as "LLR", consists of the following at June 30, 2023:

Promissory Note in the original amount of \$9,308,650 due from SSWSIF (an unrelated entity) dated December 15, 2022, with quarterly interest only payments at the rate of 1.32% due beginning January 15, 2023 through December 15, 2050. Commencing July 15, 2030, principal and interest payments of \$128,684 will be due quarterly until maturity on December 15, 2050; collateralized by a security interest in SSWSIF's interest in the CDEs; loan agreement and other governing documents restrict the use of the funds to SSSC who is a qualified active low-income community business for the term of the note. The loan principal may be prepaid at any time without penalty or premium.

\$ 9,308,650

Promissory Note in the original amount of \$5,697,600 due from SSWSIF (an unrelated entity) dated January 31, 2023, with quarterly interest only payments at the rate of 1.25% due beginning April 15, 2023 through December 15, 2050. Commencing July 15, 2030, principal and interest payments of \$78,078 will be due quarterly until maturity on December 15, 2050; collateralized by a security interest in SSWSIF's interest in the CDEs; loan agreement and other governing documents restrict the use of the funds to SSSC who is a qualified active low-income community business for the term of the note. The loan principal may be prepaid at any time without penalty or premium.

5,697,600

\$ 15,006,250

SENIOR SERVICES, INC. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS

NOTE Q: NEW MARKET TAX CREDIT PROGRAM AND PROJECT (CONTINUED)

NMTC Loans Payable

NMTC loans payable consists of the following at June 30, 2023:

Senior Services Support Corp. Loans Payable

QLICI Loan A Truist - bears interest at 1% per quarter, interest-only payments due quarterly beginning in April 5, 2023 through January 31, 2030. Commencing in April 2030, principal and interest payments of \$25,819 will be due quarterly until maturity on December 15, 2052. \$ 2,099,100

QLICI Loan B Truist - bears interest at 1% per quarter, interest-only payments due quarterly beginning in April 5, 2023 through January 31, 2030. Commencing in April 2030, principal and interest payments of \$11,081 will be due quarterly until maturity on December 15, 2052. 900,900

QLICI Loan A CCG - bears interest at 1% per quarter, interest-only payments due quarterly beginning in April 5, 2023 through January 31, 2030. Commencing in April 2030, principal and interest payments of \$44,261 will be due quarterly until maturity on December 15, 2052. 3,598,500

QLICI Loan B CCG - bears interest at 1% per quarter, interest-only payments due quarterly beginning in April 5, 2023 through January 31, 2030. One-time principal payment of \$100,000 is payable on January 31, 2030. Commencing in April 2030, principal and interest payments of \$14,778 will be due quarterly until maturity on December 15, 2052. 1,301,500

QLICI Loan A CAHEC - bears interest at 1% per quarter, interest-only payments due quarterly beginning in April 5, 2023 through January 31, 2030. Commencing in April 2030, principal and interest payments of \$114,498 will be due quarterly until maturity on December 15, 2052. 9,308,750

QLICI Loan B CAHEC - bears interest at 1% per quarter, interest-only payments due quarterly beginning in April 5, 2023 through January 31, 2030. Commencing in April 2030, principal and interest payments of \$39,252 will be due quarterly until maturity on December 15, 2052. 3,191,250

Total SSSC loans payable 20,400,000

SENIOR SERVICES, INC. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS

NOTE Q: NEW MARKET TAX CREDIT PROGRAM AND PROJECT (CONTINUED)

NMTC Loans Payable (Continued)

Senior Services, Inc. Loans Payable

SSI loan from The Reinvestment Fund, Inc. - bears interest at 6.5% calculated on the basis of a 360-day year for the actual number of days elapsed, interest is due in arrears on the 1st days of each month for the preceding month. Final payment of the entire outstanding principal amount and unpaid interest is due at maturity on December 15, 2027.

2,917,665

Total loans payable

23,317,665

Less debt issuance costs

(900,179)

Net loans payable

\$ 22,417,486

All SSSC debt is guaranteed by Senior Services, Inc. SSSC debt is secured by all its property of whatever nature. SSSC has specifically pledged the bank deposit account reported as NMTC CDE Reserve Fund on the consolidated statements of financial position.

SSSC debt is governed by a credit agreement, which contains covenants that, among others, restrict the Project Property to uses allowed as a Qualified Active Low-Income Community Business (QALICB), defined in Section 45D of the Internal Revenue Code, for the term of the loans and require SSSC to cause completion of construction of the Project Property as set forth in the loan agreement. In addition, among other negative covenants, SSSC has agreed not to:

- Incur, create, assume, or become liable for debt or contingent debt except for the CAHEC Sub-CDE XXII, TCDE96, LLC and CCG Sub-CDE61, LLC Loans, unsecured trade payables in the ordinary course of business, and taxes, assessments, or other government charges as long as SSSC has provided adequate reserves for such items;
- Incur, assume, or permit to exist any lien on its property;
- Merge, acquire, or consolidate with another entity or person except Senior Services, Inc.; and/or
- Sell the Project Property.

Anticipated future maturities of debt are as follows at each June 30:

2024 - 2027	\$ -
2028	2,917,665
Thereafter	<u>20,400,000</u>
	<u>\$ 23,317,665</u>

SENIOR SERVICES, INC. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS

NOTE Q: NEW MARKET TAX CREDIT PROGRAM AND PROJECT (CONTINUED)

NMTC Loans Payable (Continued)

During the year ended June 30, 2023, \$229,026 of interest was incurred and capitalized under these long-term debt agreements. Loans payable by SSI are secured by pledges and donations from the Creative Connections Campaign.

SENIOR SERVICES, INC. AND SUBSIDIARIES
SCHEDULE OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2023

Federal or State Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number (ALN)	Federal Pass- Through Expenditures	Passed Through to Subrecipients	State Expenditures
U.S. Department of Agriculture Pass-Thru North Carolina Department of Health & Human Services, Division of Public Health Child and Adult Care Food Program (CACFP)	10.558	\$ 57,789	\$ -	\$ -
U.S. Department of Veterans Affairs Veterans Home Based Primary Care	64.022	60,888	-	-
Veterans State Adult Day Health Care	64.026	129,973	-	-
U.S. Department of Health & Human Services Pass-Thru North Carolina Department of Health & Human Services and Piedmont Triad Regional Council (PTRC) Aging Cluster:				
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers State appropriations	93.044 N/A	206,230 -	88,973 -	- 413,062
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	372,927	-	-
Nutrition Services Incentive Program State appropriations	93.053 N/A	172,819 -	- -	- 142,455
American Rescue Plan Act Pass-Thru North Carolina Department of Health & Human Services and Piedmont Triad Regional Council (PTRC)				
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers State appropriations	93.044 N/A	28,631 -	- -	- 5,053
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	71,588	-	-
State appropriations	N/A	-	-	10,351
Sub-Total Aging Cluster		852,195	88,973	570,921
U.S. Department of Health & Human Services Pass-Thru North Carolina Department of Health and Human Services & Davie County National Family Caregiver Support Program, Title III, Part E State appropriations	93.052 N/A	83,945 -	23,771 -	- 5,595
		<u>83,945</u>	<u>23,771</u>	<u>5,595</u>
U.S. Department of Health & Human Services Alzheimer's Disease Program Initiative	93.470	315,493	-	-
U.S. Department of Health & Human Services Direct Grant from Administration for Community Living	93.493	3,189,543	-	-
American Rescue Plan Act Pass-Thru North Carolina Department of Health & Human Services and Piedmont Triad Regional Council (PTRC)				
National Family Caregiver Support Program, Title III, Part E State appropriations	93.052 N/A	39,652 -	- -	- 13,217
		<u>39,652</u>	<u>-</u>	<u>13,217</u>
U.S. Department of Treasury Pass-Thru Forsyth County Strong Healthy Communities: Neighborhood Features that Promote Health and Safety	21.027	2,500,000	-	-
U.S. Department of Health & Human Services Pass-Thru Forsyth County Department of Social Services and Piedmont Triad Regional Council Social Services Block Grant State appropriations	93.667 N/A	144,168 -	- -	- 65,116
		<u>144,168</u>	<u>-</u>	<u>65,116</u>
North Carolina Office of State Budget and Management State Capital Infrastructure Fund	N/A	-	-	5,000,000
TOTAL FEDERAL AND STATE AWARDS		\$ 7,373,646	\$ 112,744	\$ 5,654,849

SENIOR SERVICES, INC. AND SUBSIDIARIES
NOTES TO SCHEDULE OF FEDERAL AND STATE AWARDS

NOTE A: BASIS OF PRESENTATION

The accompanying schedule of federal and state awards include the federal and state grant activity of Senior Services, Inc. and is presented on the accrual basis. The information in the schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and N. C. General Statute 143C-6-23. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B: INDIRECT COST RATE

Senior Services, Inc. has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

SENIOR SERVICES, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
June 30, 2023

	Senior Services, Inc.	Senior Services Foundation, Inc.	Senior Services Support Corp.	Consolidated Totals
ASSETS				
Cash and cash equivalents	\$ 1,258,710	\$ -	\$ -	\$ 1,258,710
Restricted cash - NMTC CDE Reserve Fund	-	-	8,967,019	8,967,019
Certificates of deposit	621,870	-	-	621,870
Promises to give, net	6,169,215	-	-	6,169,215
Grants receivable	946,584	-	-	946,584
Program accounts receivable, net	282,609	-	-	282,609
NMTC leveraged loans receivable	15,006,250	-	-	15,006,250
Land lease receivable	52,221	-	-	52,221
Other receivables	196,611	-	-	196,611
Prepaid expenses	124,102	-	-	124,102
Funds held in escrow by others	621,946	-	-	621,946
Assets held for resale	19,980	-	-	19,980
Property and equipment, net	5,673,242	-	11,978,394	17,651,636
Endowment: Investments	-	5,482,559	-	5,482,559
Beneficial interests in assets held by others	718,462	-	-	718,462
TOTAL ASSETS	\$ 31,691,802	\$ 5,482,559	\$ 20,945,413	\$ 58,119,774
LIABILITIES AND NET ASSETS				
Liabilities				
Accounts payable and accrued expenses	\$ 847,462	\$ -	\$ 1,310,309	\$ 2,157,771
Deferred revenue	14,982	-	-	14,982
Financing lease liability	68,148	-	-	68,148
NMTC loans payable, net	2,782,155	-	19,635,331	22,417,486
Total Liabilities	3,712,747	-	20,945,640	24,658,387
Net Assets				
Without donor restrictions	20,698,714	-	(227)	20,698,487
With donor restrictions	7,280,341	5,482,559	-	12,762,900
Total Net Assets	27,979,055	5,482,559	(227)	33,461,387
TOTAL LIABILITIES AND NET ASSETS	\$ 31,691,802	\$ 5,482,559	\$ 20,945,413	\$ 58,119,774

SENIOR SERVICES, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
June 30, 2022

	Senior Services, Inc.	Senior Services Foundation, Inc.	Consolidated Totals
ASSETS			
Cash and cash equivalents	\$ 8,079,767	\$ -	\$ 8,079,767
Certificates of deposit	261,071	-	261,071
Promises to give, net	7,222,930	-	7,222,930
Grants receivable	414,713	-	414,713
Program accounts receivable, net	126,353	-	126,353
Land lease receivable	59,744	-	59,744
Other receivables	23,670	-	23,670
Prepaid expenses	122,634	-	122,634
Assets held for resale	19,980	-	19,980
Property and equipment, net	5,257,056	-	5,257,056
Endowment: Investments	-	4,728,464	4,728,464
Beneficial interests in assets held by others	690,288	-	690,288
<u>TOTAL ASSETS</u>	<u>\$ 22,278,206</u>	<u>\$ 4,728,464</u>	<u>\$ 27,006,670</u>
LIABILITIES AND NET ASSETS			
Liabilities			
Accounts payable and accrued expenses	\$ 578,482	\$ -	\$ 578,482
Deferred revenue	14,418	-	14,418
Grant advance	5,000,000	-	5,000,000
Capital lease obligations	15,151	-	15,151
<u>Total Liabilities</u>	<u>5,608,051</u>	<u>-</u>	<u>5,608,051</u>
Net Assets			
Without donor restrictions	7,281,668	-	7,281,668
With donor restrictions	9,388,487	4,728,464	14,116,951
<u>Total Net Assets</u>	<u>16,670,155</u>	<u>4,728,464</u>	<u>21,398,619</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 22,278,206</u>	<u>\$ 4,728,464</u>	<u>\$ 27,006,670</u>

SENIOR SERVICES, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

	Senior Services, Inc.	Senior Services Foundation, Inc.	Senior Services Support Corp.	Consolidated Totals
NET ASSETS WITHOUT DONOR RESTRICTIONS				
Support and revenues				
Grant income	\$ 13,693,436	\$ -	\$ -	\$ 13,693,436
Foundation support	298,763	-	-	298,763
Contributions	1,397,416	-	-	1,397,416
In-kind contributions	157,561	-	-	157,561
Program fees	1,594,437	-	-	1,594,437
Miscellaneous income	36,703	-	-	36,703
Interest and investment income, net	223,619	-	-	223,619
Change in value of beneficial interests	46,881	-	-	46,881
Net assets released from restrictions	4,477,740	-	-	4,477,740
<u>Total Support and Revenues</u>				
<u>Without Donor Restrictions</u>	21,926,556	-	-	21,926,556
Expenses				
Program services	7,250,187	-	-	7,250,187
Management and general	775,660	-	227	775,887
Fundraising	483,663	-	-	483,663
<u>Total Expenses</u>	8,509,510	-	227	8,509,737
<u>Change in Net Assets</u>				
<u>Without Donor Restrictions</u>	13,417,046	-	(227)	13,416,819
NET ASSETS WITH DONOR RESTRICTIONS				
Support and revenues				
Foundation support	130,000	-	-	130,000
Contributions	-	176,023	-	176,023
Capital campaign contributions	2,239,594	-	-	2,239,594
Interest and investment income, net	-	76,897	-	76,897
Realized and unrealized gains on investments	-	501,175	-	501,175
Net assets released from restrictions	(4,477,740)	-	-	(4,477,740)
<u>Change in Net Assets</u>				
<u>With Donor Restrictions</u>	(2,108,146)	754,095	-	(1,354,051)
<u>Change in Net Assets</u>	11,308,900	754,095	(227)	12,062,768
Net Assets, Beginning of Year	16,670,155	4,728,464		21,398,619
Net Assets, End of Year	\$ 27,979,055	\$ 5,482,559	\$ (227)	\$ 33,461,387

SENIOR SERVICES, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

	<u>Senior Services, Inc.</u>	<u>Senior Services Foundation, Inc.</u>	<u>Consolidated Totals</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS			
Support and revenues			
Grant income	\$ 2,661,221	\$ -	\$ 2,661,221
Foundation support	246,227	-	246,227
Contributions	887,846	-	887,846
In-kind contributions	157,289	-	157,289
Program fees	1,454,911	-	1,454,911
Miscellaneous income	47,638	-	47,638
Interest and investment income, net	56,001	-	56,001
Change in value of beneficial interests	(88,963)	-	(88,963)
Net assets released from restrictions	<u>1,278,240</u>	<u>200,008</u>	<u>1,478,248</u>
<u>Total Support and Revenues</u>			
<u>Without Donor Restrictions</u>	<u>6,700,410</u>	<u>200,008</u>	<u>6,900,418</u>
Expenses			
Program services	6,230,049	200,008	6,430,057
Management and general	493,366	-	493,366
Fundraising	<u>1,250,608</u>	<u>-</u>	<u>1,250,608</u>
<u>Total Expenses</u>	<u>7,974,023</u>	<u>200,008</u>	<u>8,174,031</u>
<u>Change in Net Assets</u>			
<u>Without Donor Restrictions</u>	<u>(1,273,613)</u>	<u>-</u>	<u>(1,273,613)</u>
NET ASSETS WITH DONOR RESTRICTIONS			
Support and revenues			
Foundation support	120,000	-	120,000
Contributions	496,660	296,652	793,312
Capital campaign contributions	9,442,809	-	9,442,809
Interest and investment income, net	-	91,880	91,880
Realized and unrealized losses on investments	-	(923,062)	(923,062)
Net assets released from restrictions	<u>(1,278,240)</u>	<u>(200,008)</u>	<u>(1,478,248)</u>
<u>Change in Net Assets</u>			
<u>With Donor Restrictions</u>	<u>8,781,229</u>	<u>(734,538)</u>	<u>8,046,691</u>
<u>Change in Net Assets</u>	<u>7,507,616</u>	<u>(734,538)</u>	<u>6,773,078</u>
Net Assets, Beginning of Year	<u>9,162,539</u>	<u>5,463,002</u>	<u>14,625,541</u>
Net Assets, End of Year	<u>\$ 16,670,155</u>	<u>\$ 4,728,464</u>	<u>\$ 21,398,619</u>