

SENIOR SERVICES, INC. AND SUBSIDIARIES

Consolidated Financial Statements

June 30, 2024 and 2023

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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, 2024 and 2023, 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, 2024 and 2023, 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 December 23, 2024 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
December 23, 2024

SENIOR SERVICES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and cash equivalents	\$ 635,224	\$ 1,258,710
Restricted cash - NMTC CDE Reserve Fund	747,197	8,967,019
Certificates of deposit	171,008	621,870
Promises to give, net	4,235,604	6,169,215
Grants receivable	535,656	946,584
Program accounts receivable, net	317,751	282,609
NMTC leveraged loans receivable	15,006,250	15,006,250
Land lease receivable	-	52,221
Other receivables	217,443	196,611
Prepaid expenses	120,933	124,102
Funds held in escrow by others	-	621,946
Assets held for resale	19,980	19,980
Property and equipment, net	28,491,868	17,651,636
Endowment: Investments	6,492,668	5,482,559
Beneficial interests in assets held by others	<u>768,191</u>	<u>718,462</u>
<u>TOTAL ASSETS</u>	<u>\$ 57,759,773</u>	<u>\$ 58,119,774</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 927,356	\$ 2,157,771
Deferred revenue	16,804	14,982
Financing lease liability	109,473	68,148
NMTC loans payable, net	<u>19,635,331</u>	<u>22,417,486</u>
<u>Total Liabilities</u>	<u>20,688,964</u>	<u>24,658,387</u>
Net Assets		
Without donor restrictions		
Board designated	365,587	228,087
Undesignated	<u>25,970,352</u>	<u>20,470,400</u>
	26,335,939	20,698,487
With donor restrictions	<u>10,734,870</u>	<u>12,762,900</u>
<u>Total Net Assets</u>	<u>37,070,809</u>	<u>33,461,387</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 57,759,773</u>	<u>\$ 58,119,774</u>

SENIOR SERVICES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Grant income	\$ 6,191,441	\$ -	\$ 6,191,441
Foundation support	630,963	130,000	760,963
Contributions	1,465,651	408,919	1,874,570
Capital campaign contributions	-	607,284	607,284
In-kind contributions	224,947	-	224,947
Program fees	1,530,744	-	1,530,744
Miscellaneous income	192,111	-	192,111
Interest and investment income, net	336,390	115,132	451,522
Realized and unrealized gains on investments	-	686,058	686,058
Change in value of beneficial interests	78,858	-	78,858
Gain on disposal of property and equipment	<u>379,232</u>	<u>-</u>	<u>379,232</u>
	<u>11,030,337</u>	<u>1,947,393</u>	<u>12,977,730</u>
Net assets released from restrictions			
Satisfaction of purpose restrictions	3,845,423	(3,845,423)	-
Satisfaction of time restrictions	<u>130,000</u>	<u>(130,000)</u>	<u>-</u>
	<u>3,975,423</u>	<u>(3,975,423)</u>	<u>-</u>
<u>Total Support and Revenue</u>	<u>15,005,760</u>	<u>(2,028,030)</u>	<u>12,977,730</u>
EXPENSES			
Program services	8,126,221	-	8,126,221
Management and general	810,417	-	810,417
Fundraising	<u>431,670</u>	<u>-</u>	<u>431,670</u>
<u>Total Expenses</u>	<u>9,368,308</u>	<u>-</u>	<u>9,368,308</u>
CHANGE IN NET ASSETS	5,637,452	(2,028,030)	3,609,422
Net Assets, Beginning of Year	<u>20,698,487</u>	<u>12,762,900</u>	<u>33,461,387</u>
Net Assets, End of Year	<u>\$ 26,335,939</u>	<u>\$ 10,734,870</u>	<u>\$ 37,070,809</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	<u>46,881</u>	<u>-</u>	<u>46,881</u>
	<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	<u>120,000</u>	<u>(120,000)</u>	<u>-</u>
	<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	<u>483,663</u>	<u>-</u>	<u>483,663</u>
<u>Total Expenses</u>	<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 FUNCTIONAL EXPENSES
For the Year Ended June 30, 2024

	WADC	Meals-On-Wheels	Home Care	Living at Home	Other Programs	Total Program Services	Management and General	Fundraising	Total
Salaries	\$ 986,164	\$ 641,116	\$ 905,769	\$ 493,921	\$ 934,445	\$ 3,961,415	\$ 272,000	\$ 256,006	\$ 4,489,421
Benefits	139,264	75,746	161,400	85,936	119,466	581,812	153,779	19,548	755,139
Payroll taxes	61,710	35,356	59,992	31,342	56,367	244,767	73,916	15,514	334,197
Food	103,244	1,084,362	-	-	78,779	1,266,385	38	1,370	1,267,793
Utilities and communications	53,778	41,627	30,963	18,882	93,260	238,510	31,222	10,176	279,908
Fundraising events	-	514	-	-	-	514	-	66,375	66,889
Insurance	38,264	33,147	38,371	19,538	62,403	191,723	34,961	4,727	231,411
Travel	501	18,986	44,915	9,665	372	74,439	881	303	75,623
Program expense	60,254	81,288	63,273	32,737	18,298	255,850	37,147	19,599	312,596
Capital campaign	-	-	-	-	243,324	243,324	-	-	243,324
Taxes and fees	3,339	2,308	3,217	1,420	3,777	14,061	3,319	356	17,736
Advertising	5,582	8,902	2,887	1,856	78,360	97,587	58,559	7,327	163,473
Professional services	10,946	8,006	10,107	4,484	146,476	180,019	26,671	12,221	218,911
Bank and other fees	1,068	2,739	-	-	475	4,282	9,822	1,082	15,186
Lease costs	5,109	3,015	4,335	1,885	3,469	17,813	4,070	377	22,260
Supplies and maintenance	100,400	32,864	37,347	16,228	128,222	315,061	26,605	5,998	347,664
Conferences and training	4,595	3,168	1,437	1,300	32,347	42,847	18,326	1,931	63,104
Other	19,024	-	211	42,094	2,205	63,534	19,486	18	83,038
Provision for uncollectible accounts	(343)	-	(1,669)	(7,678)	(65,279)	(74,969)	-	-	(74,969)
Depreciation	119,793	59,000	16,457	18,426	193,571	407,247	39,615	8,742	455,604
	<u>\$ 1,712,692</u>	<u>\$ 2,132,144</u>	<u>\$ 1,379,012</u>	<u>\$ 772,036</u>	<u>\$ 2,130,337</u>	<u>\$ 8,126,221</u>	<u>\$ 810,417</u>	<u>\$ 431,670</u>	<u>\$ 9,368,308</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	-	-	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	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 STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
OPERATING ACTIVITIES		
Change in net assets	\$ 3,609,422	\$ 12,062,768
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	455,604	211,126
Amortization on finance leases	21,122	12,707
Realized and unrealized gains on investments	(686,058)	(501,175)
Change in value of beneficial interests	(78,858)	(46,881)
Gain on disposal of property and equipment	(379,232)	(12,602)
Provision for uncollectible accounts	(74,969)	94,671
Change in discount on promises to give	(218,376)	202,000
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Promises to give	2,256,048	803,678
Grants receivable	410,928	(531,871)
Accounts and other receivables	(32,845)	(368,308)
Prepaid expenses	3,169	(1,467)
Increase (decrease) in:		
Accounts payable and accrued expenses	(1,338,090)	268,980
Deferred revenue	1,822	564
Grant advance	-	(5,000,000)
Loan origination fees	135,510	(900,179)
Contributions restricted for long-term purposes	(408,919)	(176,023)
<u>Net Cash Provided by Operating Activities</u>	<u>3,676,278</u>	<u>6,117,988</u>
INVESTING ACTIVITIES		
Sales of investments	673,625	262,417
Purchases of investments	(547,089)	(886,459)
Distributions of beneficial interests	29,404	29,030
Purchases of property and equipment	(11,767,604)	(11,229,799)
Proceeds from sale of property and equipment	1,000,000	-
Funds held in escrow by others	621,946	(621,946)
Leveraged loans issued	-	(15,006,250)
<u>Net Cash Used in Investing Activities</u>	<u>(9,989,718)</u>	<u>(27,453,007)</u>
FINANCING ACTIVITIES		
Loan proceeds	-	28,690,728
Loan repayments	(2,917,665)	(5,373,063)
Repayments of finance lease liability	(21,122)	(12,707)
Contributions restricted for long-term purposes	408,919	176,023
<u>Net Cash Provided by (Used in) Financing Activities</u>	<u>(2,529,868)</u>	<u>23,480,981</u>
Change in Cash and Restricted Cash	(8,843,308)	2,145,962
Cash, Cash Equivalents, and Restricted Cash, Beginning of Year	<u>10,225,729</u>	<u>8,079,767</u>
Cash, Cash Equivalents, and Restricted Cash, End of Year	<u>\$ 1,382,421</u>	<u>\$ 10,225,729</u>
SUPPLEMENTAL INFORMATION:		
Interest paid	<u>\$ 242,704</u>	<u>\$ 178,026</u>
Supplemental disclosure of noncash investing and financing activities:		
Additions to property and equipment represented by financing lease liability	<u>\$ 62,447</u>	<u>\$ 84,001</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 2024. 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"). 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, 2024 for its debt resulting from the NMTC transaction (see Note P). 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, cash equivalents, and restricted cash consists of the following at June 30:

	<u>2024</u>	<u>2023</u>
Cash	\$ 635,224	\$ 1,258,710
NMTC CDE Reserve Fund	<u>747,197</u>	<u>8,967,019</u>
Cash, cash equivalents, and restricted cash per consolidated statements of cash flows	<u>\$ 1,382,421</u>	<u>\$ 10,225,729</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 \$20,121 and \$17,027 for the years ended June 30, 2024 and 2023, 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 \$240,486 and \$354,906 as of June 30, 2024 and 2023, 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.

SENIOR SERVICES, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program Accounts Receivable and Allowance for Credit Losses

Program accounts receivable are recorded at amortized cost. Amortized cost represents the original carrying amount of the financial instrument less an allowance for future credit losses. An allowance for credit losses is an estimate based upon historical account write-off trends, facts about the current financial condition of the debtor, forecasts of future operating results based on current trends, and macroeconomic factors. Credit quality is monitored through the timing of payments compared to payment terms and known facts regarding the financial condition of debtors. Program accounts receivable balances are charged off against the allowance for credit losses after recovery efforts have ceased. Program accounts receivable is shown net of an allowance for credit losses of \$52,107 and \$50,871 at June 30, 2024 and 2023, respectively.

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 P) 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, current and expected future macroeconomic factors, 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 for credit losses is necessary, and no impairment has occurred as of June 30, 2024.

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.

Lease Arrangements

Financing and operating leases are recognized as right-of-use assets with related lease liabilities in the accompanying statements of financial position. Right-of-use assets represent Senior Services' right to use an underlying asset for the lease term. Lease liabilities represent Senior Services' obligation to make lease payments arising from the lease. Right-of-use assets and related liabilities are recognized at the commencement date of the lease based on the present value of lease payments over the lease term using interest rates implicit in the lease. Absent an implicit rate in the lease, Senior Services uses the risk-free rate of a zero-coupon U.S. Treasury instrument.

SENIOR SERVICES, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Lease Arrangements (Continued)

Senior Services has made the accounting policy election not to separate lease components from non-lease components, but rather accounts for the components as a single lease component. Senior Services has also elected to apply the short-term lease exception for all classes of underlying assets to all leases with a term of one year or less. Therefore, lease assets and liabilities for these leases, if applicable, are not recorded in the statements of financial position, but rather expensed as incurred.

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, 2024 and 2023, 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 \$768,191 and \$718,462 as of June 30, 2024 and 2023, 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.

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.

SENIOR SERVICES, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2024 and 2023, advertising costs were \$163,474 and \$129,097, 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., 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.

SENIOR SERVICES, INC. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

Senior Services has evaluated its subsequent events (events occurring after June 30, 2024) 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

Senior Services adopted FASB ASU 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses on certain financial instruments that are measured at amortized cost, such as accounts and loan receivables. Prior to July 1, 2023, the allowance for losses on such assets was determined based on management's estimate of probable incurred losses. Senior Services adopted this new guidance effective July 1, 2023, utilizing the modified retrospective transition method. The adoption of this Standard did not have a material impact on Senior Services' financial statements.

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>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 635,224	\$ 1,258,710
Certificates of deposit	171,008	621,870
Promises to give, net	4,235,604	6,169,215
Grants receivables	535,656	946,584
Program accounts receivable, net	317,751	282,609
Land lease receivable	-	52,221
Other receivables	217,443	196,611
Assets held for resale	<u>19,980</u>	<u>19,980</u>
Total financial assets	6,132,666	9,547,800
Less those unavailable for general expenditure within one year due to:		
Purpose restrictions	(4,112,202)	(7,150,342)
Board designations	<u>(365,587)</u>	<u>(228,087)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 1,654,877</u>	<u>\$ 2,169,371</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, 2024 and 2023:

	<u>2024</u>			<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Assets:				
Investments				
Mutual funds				
Fixed Income	\$ 1,499,023	\$ -	\$ -	\$ 1,499,023
Equities	4,571,134	-	-	4,571,134
Cash funds	<u>422,511</u>	<u>-</u>	<u>-</u>	<u>422,511</u>
	6,492,668	-	-	6,492,668
Beneficial interests in assets held by others	<u>-</u>	<u>-</u>	<u>768,191</u>	<u>768,191</u>
Total assets at fair value	<u>\$ 6,492,668</u>	<u>\$ -</u>	<u>\$ 768,191</u>	<u>\$ 7,260,859</u>
	<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>

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, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Assets:		
Balance, beginning of year	\$ 718,462	\$ 690,288
Additions	275	10,323
Change in value of beneficial interests	78,858	46,881
Distributions	<u>(29,404)</u>	<u>(29,030)</u>
Balance, end of year	<u>\$ 768,191</u>	<u>\$ 718,462</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 4.81%. As of June 30, 2024, unconditional promises to give are expected to be realized in the following periods:

Due within one year	\$ 1,739,464
Due in one to five years	<u>3,095,250</u>
	4,834,714
Allowance for uncollectible promises to give	(240,486)
Discount to present value	<u>(358,624)</u>
	<u>\$ 4,235,604</u>

NOTE F: PROPERTY AND EQUIPMENT

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

	<u>2024</u>	<u>2023</u>
Buildings	\$ 4,878,650	\$ 5,855,218
Furniture and equipment	4,114,050	1,825,094
Land and improvements	1,795,057	1,795,057
Construction in progress	21,466,402	11,978,394
Assets not in service	<u>123,338</u>	<u>650,551</u>
	32,377,497	22,104,314
Less accumulated depreciation	<u>(3,885,629)</u>	<u>(4,452,678)</u>
	<u>\$ 28,491,868</u>	<u>\$ 17,651,636</u>

Depreciation expense was \$455,604 and \$211,126 for the years ended June 30, 2024 and 2023, respectively.

SENIOR SERVICES, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

NOTE G: 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). There were no individual funds with deficiencies at June 30, 2024. The individual funds with deficiencies totaled \$25,854 at June 30, 2023. 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 G: ENDOWMENT FUNDS (CONTINUED)

Endowment net asset composition as of June 30, 2024 and 2023 is as follows:

<u>2024</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	\$ -	\$ 5,392,325	\$ 5,392,325
Net accumulated investment gains	-	1,100,343	1,100,343
	<u>\$ -</u>	<u>\$ 6,492,668</u>	<u>\$ 6,492,668</u>
<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>

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 G: ENDOWMENT FUNDS (CONTINUED)

Changes in endowment net assets during the years ended June 30, 2024 and 2023 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
2024			
Endowment net assets, beginning of year	\$ -	\$ 5,482,559	\$ 5,482,559
Contributions	-	408,919	408,919
Investment return, net	-	801,190	801,190
Supporting distributions to Senior Services, Inc.	-	(200,000)	(200,000)
	<u>\$ -</u>	<u>\$ 6,492,668</u>	<u>\$ 6,492,668</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>\$ 5,482,559</u>	<u>\$ 5,482,559</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 \$3,493,050 and \$3,304,683 at June 30, 2024 and 2023, respectively. Income distributions from these trusts were \$82,740 and \$71,807 during the years ended June 30, 2024 and 2023, respectively.

NOTE H: LEASE COMMITMENTS

Senior Services leases office equipment under a long-term non-cancelable finance lease arrangement expiring in May 2029.

Total right-of-use assets and liabilities at June 30, 2024 and 2023 are classified as follows in the statements of financial position:

	<u>2024</u>	<u>2023</u>
Lease assets		
Financing lease right-of-use asset		
(included in property and equipment)	<u>\$ 109,473</u>	<u>\$ 68,148</u>
Lease liabilities		
Financing lease liability	<u>\$ 109,473</u>	<u>\$ 68,148</u>

SENIOR SERVICES, INC. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS

NOTE H: LEASE COMMITMENTS (CONTINUED)

Total lease costs for the years ended June 30, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Financing lease costs		
Amortization	\$ 21,122	\$ 12,707
Interest	<u>1,138</u>	<u>3,146</u>
	<u>22,260</u>	<u>15,853</u>
Land lease expense	<u>-</u>	<u>11,467</u>
Total lease costs	<u>\$ 22,260</u>	<u>\$ 27,320</u>

The following summarizes the weighted average remaining lease term and discount rate as of June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Weighted average discount rate	3%	5%
Weighted average remaining lease term	4.92 years	4 years

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

2025	\$ 23,976
2026	23,976
2027	23,976
2028	23,976
2029	<u>21,978</u>
Total lease payments	117,882
Less: interest	<u>(8,409)</u>
Present value of lease liabilities	<u>\$ 109,473</u>

SENIOR SERVICES, INC. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS

NOTE I: 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>2024</u>	<u>2023</u>
Bequests	<u>\$ 365,587</u>	<u>\$ 228,087</u>

NOTE J: NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2024</u>	<u>2023</u>
Subject to expenditure for specified purposes:		
Creative Connections	\$ 4,112,202	\$ 7,098,120
Land lease	-	<u>52,221</u>
	<u>4,112,202</u>	<u>7,150,341</u>
Subject to passage of time	<u>130,000</u>	<u>130,000</u>
	<u>4,242,202</u>	<u>7,280,341</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	1,479,287	1,107,868
Other scholarships and program support	2,078,899	2,041,399
Unappropriated endowment earnings for:		
Day Center scholarships and maintenance	430,957	220,530
Meals on Wheels	255,425	96,000
Other scholarships and program support	<u>413,961</u>	<u>182,623</u>
	<u>6,492,668</u>	<u>5,482,559</u>
	<u>\$ 10,734,870</u>	<u>\$ 12,762,900</u>

SENIOR SERVICES, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

NOTE K: 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 \$183,534 and \$176,758 for the years ended June 30, 2024 and 2023, respectively.

NOTE L: RELATED PARTY TRANSACTIONS

Senior Services transferred \$408,919 and \$176,023 of donor-restricted contributions for the endowment to the Foundation during the years ended June 30, 2024 and 2023, respectively. The Foundation disbursed \$200,000 to Senior Services as its yearly distribution during the year ended June 30, 2024. 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 \$468,188 and \$447,553 during the years ended June 30, 2024 and 2023, respectively. There were \$20,762 and \$431,915 of promises to give from past pledges made by board members as of June 30, 2024 and 2023, respectively.

NOTE M: 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 N: 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, 2024 and 2023 was \$66,960 and \$66,891, 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 O: IN-KIND CONTRIBUTIONS

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

	<u>2024</u>	<u>2023</u>
Food and program supplies	\$ 176,146	\$ 125,774
Professional services	<u>48,801</u>	<u>31,787</u>
	<u>\$ 224,947</u>	<u>\$ 157,561</u>

Senior Services receives donated food and program supplies to be used in its various programs. During the years ended June 30, 2024 and 2023, 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, 2024 and 2023 were considered without donor restrictions and able to be used by Senior Services as determined by the board of directors and management.

NOTE P: 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 P: 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 was completed in late fall 2024.

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 P: 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, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
<p>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.</p>	\$ 9,308,650	\$ 9,308,650
<p>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.</p>	<u>5,697,600</u>	<u>5,697,600</u>
	<u>\$ 15,006,250</u>	<u>\$ 15,006,250</u>

SENIOR SERVICES, INC. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS

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

NMTC Loans Payable

NMTC loans payable consists of the following at June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
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	\$ 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	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	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	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	9,308,750

SENIOR SERVICES, INC. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS

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

NMTC Loans Payable (Continued)

	<u>2024</u>	<u>2023</u>
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.	<u>3,191,250</u>	<u>3,191,250</u>
Total SSSC loans payable	20,400,000	20,400,000
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 1 st 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; paid in full in March 2024.	<u>-</u>	<u>2,917,665</u>
Total loans payable	20,400,000	23,317,665
Less debt issuance costs	<u>(764,669)</u>	<u>(900,179)</u>
Net loans payable	<u>\$ 19,635,331</u>	<u>\$ 22,417,486</u>

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.

SENIOR SERVICES, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

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

NMTC Loans Payable (Continued)

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:

2025 - 2029	\$ -
Thereafter	<u>20,400,000</u>
	<u>\$ 20,400,000</u>

During the years ended June 30, 2024 and 2023, \$242,704 and \$229,026, respectively, 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
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
June 30, 2024

	<u>Senior Services, Inc.</u>	<u>Senior Services Foundation, Inc.</u>	<u>Senior Services Support Corp.</u>	<u>Consolidated Totals</u>
ASSETS				
Cash and cash equivalents	\$ 635,224	\$ -	\$ -	\$ 635,224
Restricted cash - NMTC CDE Reserve Fund	-	-	747,197	747,197
Certificates of deposit	171,008	-	-	171,008
Promises to give, net	4,235,604	-	-	4,235,604
Grants receivable	535,656	-	-	535,656
Program accounts receivable, net	317,751	-	-	317,751
NMTC leveraged loans receivable	15,006,250	-	-	15,006,250
Other receivables	217,443	-	-	217,443
Prepaid expenses	120,933	-	-	120,933
Assets held for resale	19,980	-	-	19,980
Property and equipment, net	9,558,240	-	18,933,628	28,491,868
Endowment: Investments	-	6,492,668	-	6,492,668
Beneficial interests in assets held by others	768,191	-	-	768,191
<u>TOTAL ASSETS</u>	<u>\$ 31,586,280</u>	<u>\$ 6,492,668</u>	<u>\$ 19,680,825</u>	<u>\$ 57,759,773</u>
LIABILITIES AND NET ASSETS				
Liabilities				
Accounts payable and accrued expenses	\$ 863,231	\$ -	\$ 64,125	\$ 927,356
Deferred revenue	16,804	-	-	16,804
Financing lease liability	109,473	-	-	109,473
NMTC loans payable, net	-	-	19,635,331	19,635,331
<u>Total Liabilities</u>	<u>989,508</u>	<u>-</u>	<u>19,699,456</u>	<u>20,688,964</u>
Net Assets				
Without donor restrictions	26,354,570	-	(18,631)	26,335,939
With donor restrictions	4,242,202	6,492,668	-	10,734,870
<u>Total Net Assets</u>	<u>30,596,772</u>	<u>6,492,668</u>	<u>(18,631)</u>	<u>37,070,809</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 31,586,280</u>	<u>\$ 6,492,668</u>	<u>\$ 19,680,825</u>	<u>\$ 57,759,773</u>

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 ACTIVITIES
For the Year Ended June 30, 2024

	Senior Services, Inc.	Senior Services Foundation, Inc.	Senior Services Support Corp.	Consolidated Totals
NET ASSETS WITHOUT DONOR RESTRICTIONS				
Support and revenues				
Grant income	\$ 6,191,441	\$ -	\$ -	\$ 6,191,441
Foundation support	630,963	-	-	630,963
Contributions	1,465,651	-	-	1,465,651
In-kind contributions	224,947	-	-	224,947
Program fees	1,530,744	-	-	1,530,744
Miscellaneous income	192,111	-	-	192,111
Interest and investment income, net	336,390	-	-	336,390
Gain on disposal of property and equipment	379,232	-	-	379,232
Change in value of beneficial interests	78,858	-	-	78,858
Net assets released from restrictions	3,775,423	200,000	-	3,975,423
<u>Total Support and Revenues</u> <u>Without Donor Restrictions</u>	<u>14,805,760</u>	<u>200,000</u>	<u>-</u>	<u>15,005,760</u>
Expenses				
Program services	7,926,221	200,000	-	8,126,221
Management and general	792,013	-	18,404	810,417
Fundraising	431,670	-	-	431,670
<u>Total Expenses</u>	<u>9,149,904</u>	<u>200,000</u>	<u>18,404</u>	<u>9,368,308</u>
<u>Change in Net Assets</u> <u>Without Donor Restrictions</u>	<u>5,655,856</u>	<u>-</u>	<u>(18,404)</u>	<u>5,637,452</u>
NET ASSETS WITH DONOR RESTRICTIONS				
Support and revenues				
Foundation support	130,000	-	-	130,000
Contributions	-	408,919	-	408,919
Capital campaign contributions	607,284	-	-	607,284
Interest and investment income, net	-	115,132	-	115,132
Realized and unrealized gains on investments	-	686,058	-	686,058
Net assets released from restrictions	(3,775,423)	(200,000)	-	(3,975,423)
<u>Change in Net Assets</u> <u>With Donor Restrictions</u>	<u>(3,038,139)</u>	<u>1,010,109</u>	<u>-</u>	<u>(2,028,030)</u>
<u>Change in Net Assets</u>	<u>2,617,717</u>	<u>1,010,109</u>	<u>(18,404)</u>	<u>3,609,422</u>
Net Assets, Beginning of Year	27,979,055	5,482,559	(227)	33,461,387
Net Assets, End of Year	<u>\$ 30,596,772</u>	<u>\$ 6,492,668</u>	<u>\$ (18,631)</u>	<u>\$ 37,070,809</u>

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

	<u>Senior Services, Inc.</u>	<u>Senior Services Foundation, Inc.</u>	<u>Senior Services Support Corp.</u>	<u>Consolidated Totals</u>
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>	<u>21,926,556</u>	<u>-</u>	<u>-</u>	<u>21,926,556</u>
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>	<u>8,509,510</u>	<u>-</u>	<u>227</u>	<u>8,509,737</u>
<u>Change in Net Assets</u>				
<u>Without Donor Restrictions</u>	<u>13,417,046</u>	<u>-</u>	<u>(227)</u>	<u>13,416,819</u>
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>	<u>(2,108,146)</u>	<u>754,095</u>	<u>-</u>	<u>(1,354,051)</u>
<u>Change in Net Assets</u>	<u>11,308,900</u>	<u>754,095</u>	<u>(227)</u>	<u>12,062,768</u>
Net Assets, Beginning of Year	16,670,155	4,728,464		21,398,619
Net Assets, End of Year	<u>\$ 27,979,055</u>	<u>\$ 5,482,559</u>	<u>\$ (227)</u>	<u>\$ 33,461,387</u>

SENIOR SERVICES, INC. AND SUBSIDIARIES
SCHEDULE OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2024

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	\$ 64,302	\$ -	\$ -
U.S. Department of Veterans Affairs Veterans Home Based Primary Care	64.022	53,157	-	-
Veterans State Adult Day Health Care	64.026	147,355	-	-
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	305,511 -	83,376 -	- 514,930
Special Programs for the Aging, Title III, Part C, Nutrition Services Nutrition Services Incentive Program State appropriations	93.045 93.053 N/A	379,831 138,336 -	- - -	- - 65,639
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	98,869 -	- -	- 17,447
Special Programs for the Aging, Title III, Part C, Nutrition Services State appropriations	93.045 N/A	367,686 -	- -	- 64,885
<u>Sub-Total Aging Cluster</u>		<u>1,290,233</u>	<u>83,376</u>	<u>662,901</u>
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	92,800 -	16,086 -	- 6,187 6,187
U.S. Department of Health & Human Services Alzheimer's Disease Program Initiative	93.470	339,685	-	-
U.S. Department of Health & Human Services Direct Grant from Administration for Community Living	93.493	1,810,456	-	-
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	99,460 -	- -	- 33,153 33,153
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	72,273 -	- -	- 56,636 56,636
North Carolina Office of State Budget and Management State Capital Infrastructure Fund	N/A	-	-	1,000,000
TOTAL FEDERAL AND STATE AWARDS		\$ 3,969,721	\$ 99,462	\$ 1,758,877

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.