

**SURREY SERVICES FOR SENIORS, INC.**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

*Years Ended June 30, 2023 and 2022*

# **SURREY SERVICES FOR SENIORS, INC.**

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**YEARS ENDED June 30, 2023 and 2022**

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## ***Independent Auditors' Report***

To the Board of Directors  
Surrey Services for Seniors, Inc.  
Devon, Pennsylvania

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of Surrey Services for Seniors, Inc., which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Surrey Services for Seniors, Inc. 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 (GAAS) 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 Financial Statements section of our report. We are required to be independent of Surrey Services for Seniors, Inc. 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.

#### ***Emphasis of Matter with Respect to Change of Accounting Methods***

As discussed in Note B to the financial statements, Surrey Services for Seniors, Inc. adopted Accounting Standards Update (ASU) No. 2016-02, "Leases (Topic 842)." Our opinion is not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

To the Board of Directors  
Surrey Services for Seniors, Inc.  
Devon, Pennsylvania

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Surrey Services for Seniors, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Surrey Services for Seniors, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

#### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information appearing on pages 23 and 24 is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

#### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have issued our report dated November 29, 2023 on our consideration of the Surrey Services for Seniors, Inc.'s 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 solely 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 the effectiveness of 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 the Surrey Services for Seniors, Inc.'s internal control over financial reporting and compliance.



Limerick, Pennsylvania  
November 29, 2023

**SURREY SERVICES FOR SENIORS, INC.**

## STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 520,573	\$ 161,187
Investments	1,975,155	1,907,555
Accounts receivable	101,205	134,671
Grants receivable	38,666	-
Other receivables	60,448	40,206
Other current assets	2,550	41,019
Unconditional promises to give	119,652	147,756
Prepaid expenses	78,423	60,815
TOTAL CURRENT ASSETS	<u>2,896,672</u>	<u>2,493,209</u>
PROPERTY AND EQUIPMENT		
Property and equipment	6,090,950	5,429,356
Accumulated depreciation	<u>(1,734,834)</u>	<u>(1,521,073)</u>
TOTAL PROPERTY AND EQUIPMENT	<u>4,356,116</u>	<u>3,908,283</u>
LONG-TERM ASSETS		
Unconditional promises to give	24,761	168,788
Restricted cash	5,475	108,032
Restricted investments, marketable securities	953,931	813,697
Other long-term assets	20,000	-
Operating lease right-of-use asset, net	585,822	-
TOTAL LONG-TERM ASSETS	<u>1,589,989</u>	<u>1,090,517</u>
TOTAL ASSETS	<u>\$ 8,842,777</u>	<u>\$ 7,492,009</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 173,130	\$ 176,699
Accrued liabilities	221,655	184,059
Deferred revenue	47,050	22,530
Current portion of operating lease liability	154,017	-
TOTAL CURRENT LIABILITIES	<u>595,852</u>	<u>383,288</u>
LONG-TERM LIABILITIES		
Operating lease liabilities, less current portion	<u>531,805</u>	<u>-</u>
NET ASSETS		
Without donor restrictions	6,741,585	6,148,193
With donor restrictions	973,535	960,528
TOTAL NET ASSETS	<u>7,715,120</u>	<u>7,108,721</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 8,842,777</u>	<u>\$ 7,492,009</u>

*See accompanying notes.*

**SURREY SERVICES FOR SENIORS, INC.**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
<b>REVENUE AND GAINS</b>		
Program services	\$ 1,674,848	\$ 1,754,213
Government	697,804	93,468
Business and community organizations	2,830	4,715
Foundation grants	209,500	186,749
Individuals	1,636,974	1,134,274
Member dues	81,340	75,785
Special events	159,257	112,551
Sales to public	250,721	166,377
Donated materials and services	11,500	500
Employee retention credit	409,958	-
Net investment income (loss)	165,063	(287,049)
Other income	3,391	3,541
Net assets released from restrictions	<u>106,799</u>	<u>140,806</u>
TOTAL REVENUE, GAINS, AND OTHER SUPPORT WITHOUT DONOR RESTRICTIONS	<u>5,409,985</u>	<u>3,385,930</u>
<b>EXPENSES</b>		
Program services	3,454,756	3,089,961
Management and general	756,175	829,491
Fund-raising	605,662	416,855
TOTAL EXPENSES	<u>4,816,593</u>	<u>4,336,307</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>593,392</u>	<u>(950,377)</u>
<b>CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS</b>		
Foundations	8,851	39,000
Individuals	24,731	125,582
Business and community organizations	5,000	-
Net investment income (loss)	81,224	(125,366)
Net assets released from restrictions	<u>(106,799)</u>	<u>(140,806)</u>
INCREASE (DECREASE) IN NET ASSETS WITH DONOR RESTRICTIONS	<u>13,007</u>	<u>(101,590)</u>
CHANGE IN NET ASSETS	606,399	(1,051,967)
NET ASSETS AT BEGINNING OF THE YEAR	<u>7,108,721</u>	<u>8,160,688</u>
NET ASSETS AT END OF THE YEAR	<u>\$ 7,715,120</u>	<u>\$ 7,108,721</u>

See accompanying notes.

# SURREY SERVICES FOR SENIORS, INC.

## STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2023

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund-raising</u>	<u>Total</u>
Payroll	\$ 1,792,351	\$ 400,109	\$ 318,391	\$ 2,510,851
Payroll taxes	134,005	29,659	22,555	186,219
Employee benefits	<u>247,786</u>	<u>65,250</u>	<u>61,788</u>	<u>374,824</u>
<b>TOTAL PAYROLL AND RELATED BENEFITS</b>	<b>2,174,142</b>	<b>495,018</b>	<b>402,734</b>	<b>3,071,894</b>
Activities	45,100	-	6,247	51,347
Bad debt	-	-	3,768	3,768
Client services	358,230	-	-	358,230
Credit card fees	5,886	-	10,209	16,095
Depreciation	170,566	36,656	6,539	213,761
Event expenses	-	-	81,395	81,395
Insurance	30,928	15,501	3,073	49,502
Interest	-	7,326	-	7,326
Lease	199,781	-	-	199,781
Miscellaneous	20,474	8,076	1,105	29,655
Payroll service	21,412	3,523	2,168	27,103
Postage	14,660	8,179	11,266	34,105
Printing	48,046	13,270	25,366	86,682
Professional development	1,861	3,787	466	6,114
Professional fees	23,005	65,608	1,513	90,126
Public relations	17,625	7,995	2,969	28,589
Repairs and maintenance	93,566	20,442	1,477	115,485
Supplies	11,617	9,015	2,334	22,966
Technology	129,924	38,806	39,451	208,181
Telephone	17,544	6,122	2,076	25,742
Travel	605	254	447	1,306
Utilities	33,313	16,597	1,059	50,969
Vehicle expense	<u>36,471</u>	<u>-</u>	<u>-</u>	<u>36,471</u>
<b>TOTAL PROGRAM AND SUPPORTING EXPENSES</b>	<b>\$ <u>3,454,756</u></b>	<b>\$ <u>756,175</u></b>	<b>\$ <u>605,662</u></b>	<b>\$ <u>4,816,593</u></b>
% of total expenses	71.7%	15.7%	12.6%	100.0%

See accompanying notes.

# SURREY SERVICES FOR SENIORS, INC.

## STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2022

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund-raising</u>	<u>Total</u>
Payroll	\$ 1,697,422	\$ 327,260	\$ 225,616	\$ 2,250,298
Payroll taxes	121,052	21,065	16,890	159,007
Employee benefits	192,374	119,342	29,883	341,599
<b>TOTAL PAYROLL AND RELATED BENEFITS</b>	<b>2,010,848</b>	<b>467,667</b>	<b>272,389</b>	<b>2,750,904</b>
Activities	40,272	-	-	40,272
Bad debt	4,502	-	-	4,502
Client services	339,780	-	-	339,780
Credit card fees	12,283	-	6,132	18,415
Depreciation	162,092	32,076	6,967	201,135
Event expenses	-	-	55,742	55,742
Insurance	51,441	11,400	3,896	66,737
Interest	-	3,268	-	3,268
Miscellaneous	20,063	12,100	865	33,028
Payroll service	15,201	6,081	2,105	23,387
Postage	18,484	6,877	8,361	33,722
Printing	35,728	14,125	23,211	73,064
Professional development	1,938	1,005	110	3,053
Professional fees	10,230	180,829	921	191,980
Public relations	12,940	3,918	4,780	21,638
Rent	80,437	-	-	80,437
Repairs and maintenance	71,302	20,674	1,218	93,194
Supplies	6,762	9,608	717	17,087
Technology	123,651	37,081	26,916	187,648
Telephone	17,798	4,630	1,603	24,031
Travel	133	2,777	-	2,910
Utilities	22,655	15,375	922	38,952
Vehicle expense	31,421	-	-	31,421
<b>TOTAL PROGRAM AND SUPPORTING EXPENSES</b>	<b>\$ 3,089,961</b>	<b>\$ 829,491</b>	<b>\$ 416,855</b>	<b>\$ 4,336,307</b>
% of total expenses	71.3%	19.1%	9.6%	100.0%

See accompanying notes.



# SURREY SERVICES FOR SENIORS, INC.

## STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 606,399	\$ (1,051,967)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	213,761	201,135
Amortization of discount on promises to give	(9,183)	1,032
Allowance for uncollectible promises to give	(3,686)	(3,918)
Donated investments included in support	(39,721)	(59,154)
Net realized and unrealized (gain) loss on investments	(188,189)	461,573
Right-of-use asset reduction	144,421	-
(Increase) decrease in		
Promises to give	146,335	215,845
Accounts and other receivables	13,224	37,670
Prepaid expenses	(17,608)	(22,364)
Other assets	18,469	(41,019)
Increase (decrease) in		
Accounts payable	(3,569)	28,390
Deferred revenue	24,520	4,450
Accrued expenses	37,596	29,873
Operating lease liability	(144,421)	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>798,348</u>	<u>(198,454)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	2,987,322	411,924
Purchases of investments	(2,967,246)	(207,796)
Purchase of property and equipment	(561,595)	(29,391)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(541,519)</u>	<u>174,737</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Borrowings on line of credit	450,000	220,000
Payments of line of credit	(450,000)	(220,000)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH	256,829	(23,717)
CASH AT BEGINNING OF YEAR	<u>269,219</u>	<u>292,936</u>
CASH AT END OF YEAR	<u>\$ 526,048</u>	<u>\$ 269,219</u>
<b>SUPPLEMENTAL DISCLOSURES</b>		
Interest paid	\$ 7,326	\$ 3,268
ROU assets obtained in exchange for new operating lease liabilities	766,586	-
Tenant allowance for leasehold improvements made	100,000	-
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS</b>		
Cash as reported on the statements of financial position		
Cash and cash equivalents	\$ 520,573	\$ 161,187
Cash and cash equivalents, restricted	<u>5,475</u>	<u>108,032</u>
	<u>\$ 526,048</u>	<u>\$ 269,219</u>

See accompanying notes.

# **SURREY SERVICES FOR SENIORS, INC.**

## **NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2023 AND 2022**

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### **NOTE A - NATURE OF ACTIVITIES**

Surrey Services for Seniors, Inc. (the Corporation) is a publicly supported, non-profit corporation which provides transportation, social activities, home care, nutrition programs, and volunteer opportunities to older adults, primarily in Chester and Delaware Counties, Pennsylvania.

These services help older adults live with independence and dignity to continue as active members of the community. They are provided by a professional staff supported by the efforts of over 395 (2023) and 280 (2022) volunteers. The total volunteer hours exceeded 33,453 and 21,800 for 2023 and 2022, respectively.

### **NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Basis of Accounting**

The Corporation prepares its financial statements on the accrual method of accounting.

#### **Financial Statement Presentation**

Under Financial Accounting Standards Board Accounting Standards Codification (FASB ASC 958), the Corporation is required to report information regarding its financial position and activities according to two mutually exclusive classes according to the existence or absence of donor-imposed restrictions. See Net Assets with Donor Restrictions and Net Assets without Donor Restrictions.

#### **Net Assets with Donor Restrictions**

Net asset with donor restrictions is the part of net assets of the Corporation that is subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, for example, stipulating that resources be used after a specified date, for particular programs or services, or to acquire buildings or equipment. Other donor-imposed restrictions are perpetual in nature, for example, stipulate that resources be maintained in perpetuity. Laws may extend those limits to investment returns from those resources and to other enhancements (diminishments) of those resources. Thus, those laws extend donor-imposed restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

# **SURREY SERVICES FOR SENIORS, INC.**

## **NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2023 AND 2022**

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### **NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **Net Assets with Donor Restrictions (Continued)**

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the same reporting period in which the support is received and recognized.

#### **Net Assets without Donor Restrictions**

The part of net assets of the Corporation that is not subject to donor-imposed restrictions.

#### **Cash and Cash Equivalents**

For purposes of the statements of cash flows, the Corporation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

#### **Accounts Receivable**

Accounts receivable are reported at the amount management expects to collect from outstanding balances. Differences between the amount due and the amount management expects to collect are reported in the results of operations of the year in which those differences are determined, with an offsetting entry to a valuation allowance for trade accounts receivable. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

The allowance for doubtful accounts is based on prior years' experience and management analysis of possible bad debts. The allowance is \$5,000 as of June 30, 2023 and 2022.

#### **Promises to Give**

Contributions are recognized when the donor makes a promise to give to the Corporation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Promises to give are reflected at the present value of estimate future cash flows using the market approach and a discount rate of 4.5%. The allowance for uncollectible promises to give is based on prior years' experience and management analysis of possible bad debts.

# SURREY SERVICES FOR SENIORS, INC.

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

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### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### **Concentration of Risk**

Financial instruments that potentially subject the Corporation to concentration of credit risk consist principally of cash and accounts receivable. The Corporation's cash funds are located in various financial institutions. The federal deposit insurance Corporation (FDIC) insures the first \$250,000 of any depositor's total depository accounts for each member institution. The Corporation places its cash with credit worthy financial institutions and has not experienced any losses on such accounts and believes it is not exposed to any significant credit risk on cash. At June 30, 2023 and 2022, there were no balances exposed to potential credit risk.

Substantially all the Corporation's accounts receivable are from customers located in Chester and Delaware Counties, Pennsylvania. The Corporation does require a security deposit for larger Homecare clients, but for the majority of its clients, they do not require collateral or other security to support credit sales, and provides an allowance for bad debts based on historical experience and specifically identified risks.

One donor accounted for more than 10% of support during the year ended June 30, 2023 and one donor accounted for more than 10% of support during the year ended June 30, 2022. The total support from the donors in 2023 and 2022 was \$700,000 and \$600,000, respectively.

#### **Investments**

The Corporation carries investments in marketable securities with readily determinable fair market values and all investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities. Investment income or loss (including realized gains and losses on investment, interest and dividends) is included in investment return without donor restrictions unless the income or loss is restricted by donor or laws. Investment return of donor-restricted funds are added to (deducted from) the appropriate net asset category based on the donor's restrictions.

#### **Endowment Funds**

FASB ASC 958-205, *Presentation of Financial Statements*, provides guidance about an organization's endowment funds (both donor-restricted endowment funds and board-designated endowment funds).

#### **Property and Equipment**

The Corporation capitalizes individual assets with a total cost greater than \$2,500. The Corporation records property and equipment at cost and primarily uses the straight-line depreciation method over estimated useful lives of 3 to 40 years. Leasehold improvements are depreciated over the lesser of the useful life or the lease term. Maintenance, repairs and expenditures for renewals and betterments not determined to extend the useful lives or increase materially the productivity of the asset are expensed as incurred. Otherwise renewals and betterments are capitalized. When items of property and equipment are sold or retired, the cost and related allowances for depreciation are eliminated from the accounts. The gain or loss on such disposition is credited or charged to income.

# **SURREY SERVICES FOR SENIORS, INC.**

## **NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2023 AND 2022**

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### **NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **Accrued Compensated Absences**

Full-time employees receive annual leave based upon length of employment. Annual leave is paid to employees upon termination of employment, use of the benefit, or when employees voluntarily leave the company, and is accrued in the financial statements. Due to an increased demand on smaller staff because of expanded programs and services related to COVID-19 protocols, management allowed staff to carry over ten days from 2023 and 2022 as opposed to five days carried over from previous years. Accrued compensated absences as of June 30, 2023 and 2022 are \$29,638 and \$43,946, respectively.

#### **Deferred Revenue**

Deferred Revenue represents amounts received in advance from clients or for special events. The amounts are expected to be recognized as revenue in the subsequent year. Deferred revenue as of June 30, 2023 and 2022 was \$47,050 and \$22,530, respectively.

#### **Contributions**

Contributions received are recorded with donor restrictions or without donor restrictions, depending on the existence or nature of any donor-imposed restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in donor restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are classified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

#### **Revenue Recognition**

The Corporation's program revenues of \$1,674,848 and \$1,754,213 for 2023 and 2022, respectively, are derived from services including homecare, social activities, membership, nutrition and transportation. The program service revenue is recognized over time as the services are rendered.

Sales to public of \$250,721 and \$166,377 for 2023 and 2022, respectively, consists of consignment shop sales. Consignment shop sales are recognized by transferring control of the product to the customer. This occurs at the point of sale.

Special events of \$159,257 and \$112,551 for 2023 and 2022, respectively, in part comprise of an exchange element based upon the benefits provided to the participants and a contribution element for payments received by the Corporation in excess of participant benefits. Exchange revenues are recognized as the event takes place. The portion of special events revenues that comprise an exchange element for 2023 and 2022, respectively, were \$81,395 and \$55,742.

# **SURREY SERVICES FOR SENIORS, INC.**

## **NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2023 AND 2022**

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### **NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **Fair Value of Financial Instruments**

The fair value of financial instruments has been determined through quoted market values.

#### **Advertising**

The Corporation follows the policy of charging the cost of advertising to expense as incurred.

#### **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

#### **Income Taxes**

The Corporation is a charitable organization with an exempt status under Section 501(c)(3) of the Internal Revenue Code, and is classified as an organization that is not a private foundation as defined in Section 509(a)(1) of the Internal Revenue Code.

Generally accepted accounting principles requires entities to evaluate, measure, recognize, and disclose any uncertain tax positions taken on their income tax returns. Management has evaluated the impact of this standard on its financial statements and believes that there are no uncertain tax positions and the effects of this standard did not impact the Corporation's financial position, statement of activities or changes in net assets.

The Corporation recognizes accrued interest and penalties associated with uncertain tax positions, if any, as part of the income tax provision. The Corporation does not have tax related interest and penalties for the years after the date the Corporation files the returns.

#### **Contributions from Board Members**

Members of the Board of Directors will make contributions of their time to support the Corporation, however no amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition. Members of the Board of Directors will also make financial contributions to the Corporation. Financial cash contributions from members of the Board of Directors totaled \$488,381 and \$393,408 for the years ended June 30, 2023 and 2022, respectively. In addition, contributions in the form of pledges totaled \$2,500 and \$14,251 for the years ended June 30, 2023 and 2022, respectively.

#### **Leases**

The Corporation determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use assets and operating lease liabilities on the statement of financial position.

# SURREY SERVICES FOR SENIORS, INC.

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

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### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Leases (Continued)

Right-of-use assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Lease right-of-use assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. In determining the discount rate used to measure the right-of-use asset and lease liability, the Corporation uses rates implicit in the leases, or if not readily available, the Corporation uses an incremental borrowing rate based on the information available at the commencement date.

The Corporation has lease agreements with lease and non-lease components, which the Corporation has elected the practical expedient to account for as a single lease component. The Corporation as a lessee made an accounting policy election not to recognize right-of-use assets and lease liabilities that arise from short-term leases for any class of underlying asset.

In evaluating contracts to determine if they qualify as a lease, the Corporation considers factors such as if they have obtained substantially all of the rights to the underlying asset through exclusivity, if they can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgement.

#### Adoption of New Accounting Standard

In February 2016, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification [ASC] 842, Leases) to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Corporation elected the available practical expedient to account for their existing operating leases as operating leases under the new guidance, without reassessing (a) whether the contract contain leases under the new standard, (b) whether classification of operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement

Effective July 1, 2022, the Corporation adopted the new lease accounting guidance in Accounting Standards Update (ASU) No. 2016-02, "Leases (Topic 842)." As a result of the adoption of the new lease accounting guidance, the Corporation recognized on July 1, 2022 (the date of adoption) an operating lease liability at the carrying amount of the lease obligation on June 30, 2022 of \$63,657 and an operating lease right-of-use asset at the carrying amount of the lease assets on June 30, 2022 of \$63,657.

# SURREY SERVICES FOR SENIORS, INC.

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

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### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Reclassifications

Certain amounts represented in the prior year have been reclassified in order to be consistent with the current year's presentation.

#### Date of Management's Review

Management has evaluated subsequent events through November 29, 2023, the date the financial statements were available to be issued.

### NOTE C - REVENUE FROM CONTRACTS WITH CUSTOMERS

#### Contract Balances

Contract liabilities arise when the Corporation receives payments from customers in advance of recognizing revenue. These advance payments are reported as deferred revenue on the statement of net position. The following table provides information about receivable and contract liabilities from contracts with customers.

	July 1, 2021	June 30, 2022	June 30, 2023
Accounts receivable	\$ <u>122,614</u>	\$ <u>134,671</u>	\$ <u>101,205</u>
Contract liabilities	\$ <u>18,080</u>	\$ <u>22,530</u>	\$ <u>47,050</u>

### NOTE D - UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give at June 30, 2023 and 2022 are as follows:

	2023	2022
Receivable in less than one year	\$ 119,652	\$ 147,756
Receivable in one to five years	29,451	186,348
Total unconditional promises to give	<u>149,103</u>	<u>334,104</u>
Less: discounts to net present value	(1,694)	(10,878)
Less: allowance for uncollectible promises	<u>(2,996)</u>	<u>(6,682)</u>
Net unconditional promises to give at June 30, 2023 and 2022	<u>\$ 144,413</u>	<u>\$ 316,544</u>



# SURREY SERVICES FOR SENIORS, INC.

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

### NOTE E - PROPERTY AND EQUIPMENT

A summary of property and equipment is as follows:

	2023	2022	Estimated Useful Life Years
Land	\$ 1,222,164	\$ 1,222,164	
Building	2,031,520	2,031,520	40
Building improvements	1,291,284	1,274,544	15
Leashold improvements	489,255	-	lesser of useful life or lease term
Vehicles	144,369	73,479	5
Equipment and furniture	912,358	827,649	3 to 5
	<u>6,090,950</u>	<u>5,429,356</u>	
Accumulated depreciation	<u>(1,734,834)</u>	<u>(1,521,073)</u>	
Net book value of property and equipment	<u>\$ 4,356,116</u>	<u>\$ 3,908,283</u>	

### NOTE F - INVESTMENTS

Investments at fair value consist of the following as of June 30, 2023:

	2023		
	Cost	Unrealized Holding Gain (Loss)	Fair Value
Investments, current assets			
Government Securities			
US Treasury Notes	\$ 149,362	\$ 1,700	\$ 151,062
Exchange Traded Funds			
US equities	1,016,100	12,783	1,028,883
US Intermediate-term bond	118,713	(15,866)	102,847
Short-term treasury bond	149,708	(4,526)	145,182
Short-term corporate bond	101,060	(735)	100,325
International equities	179,933	13,725	193,658
Emerging markets equities	51,315	(892)	50,423
US Equities	185,041	17,734	202,775
	<u>1,951,232</u>	<u>23,923</u>	<u>1,975,155</u>
Investments, long-term assets			
Exchange Traded Funds			
US equities	583,653	11,424	595,077
US Intermediate-term bond	56,489	(7,710)	48,779
Short-term treasury bond	129,002	(1,255)	127,747
Short-term corporate bond	46,034	(335)	45,699
International equities	117,201	(5,759)	111,442
Emerging markets equities	25,531	(344)	25,187
	<u>957,910</u>	<u>(3,979)</u>	<u>953,931</u>
	<u>\$ 2,909,142</u>	<u>\$ 19,944</u>	<u>\$ 2,929,086</u>

**SURREY SERVICES FOR SENIORS, INC.**

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

**NOTE F - INVESTMENTS (Continued)**

Investments at fair value consist of the following as of June 30, 2022:

	<u>2022</u>		
	<u>Cost</u>	<u>Unrealized Holding Gain (Loss)</u>	<u>Fair Value</u>
Investments, current assets			
Exchange Traded Funds			
US equities	\$ 686,871	\$ 72,940	\$ 759,811
US Intermediate-term bond	356,956	(37,986)	318,970
Short-term treasury bond	134,936	(4,574)	130,362
International equities	381,947	(27,097)	354,850
Emerging markets equities	166,137	(7,385)	158,752
US Equities	170,374	14,436	184,810
	<u>1,897,221</u>	<u>10,334</u>	<u>1,907,555</u>
Investments, long-term assets			
Exchange Traded Funds			
US equities	440,190	(12,419)	427,771
US Intermediate-term bond	177,958	(20,573)	157,385
Short-term treasury bond	31,213	(890)	30,323
International equities	143,445	(23,862)	119,583
Emerging markets equities	97,944	(19,309)	78,635
	<u>890,750</u>	<u>(77,053)</u>	<u>813,697</u>
	<u>\$ 2,787,971</u>	<u>\$ (66,719)</u>	<u>\$ 2,721,252</u>

**Endowment Funds**

The donor-restricted endowment funds are listed as long-term investments and restricted cash on the balance sheet as of June 30, 2023 and 2022. Effective March 26, 2021, the Corporation has adopted a spending policy in which they may withdrawal a portion of, or all, the portfolio's income each year for the purpose of supporting the Corporation according to the restrictions set by the donor. The Corporation has also adopted an investment policy that targets asset allocations of 70% equity investments and 30% fixed income investments, with a maximum equity allocation of 80% and minimum of 20%. In establishing the policy, the Corporation considered a long-term expected investment return on its endowment.

# SURREY SERVICES FOR SENIORS, INC.

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

### NOTE F - INVESTMENTS (Continued)

Changes in endowment funds as of June 30, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 921,729	\$ 990,094
Contributions to endowment	24,453	125,000
Withdraw to support corporation	(68,000)	(68,000)
Unrealized gains/(loss)	62,334	(140,793)
Interest and dividends, net of management fees	<u>18,890</u>	<u>15,428</u>
Balance, end of year	<u>\$ 959,406</u>	<u>\$ 921,729</u>

### NOTE G - FAIR VALUE MEASUREMENTS

Accounting standards establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels.

*Level 1* inputs are unadjusted quoted prices for identical assets or liabilities in active markets that the Corporation has the ability to access. *Level 2* inputs are other than quoted prices that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument. *Level 3* inputs are unobservable inputs based on the Corporation's assumptions used to measure assets and liabilities at fair value. The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Assets of the Corporation for which fair values are determined on a recurring basis are summarized as follows:

	Investment Assets at Fair Value as of June 30, 2023			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Exchange traded funds	\$ 2,575,249	\$ -	\$ -	\$ 2,575,249
US Equities	202,775	-	-	202,775
US Treasury Notes	<u>151,062</u>	<u>-</u>	<u>-</u>	<u>151,062</u>
	<u>\$ 2,929,086</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,929,086</u>

  

	Investment Assets at Fair Value as of June 30, 2022			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Exchange traded funds	\$ 2,536,442	\$ -	\$ -	\$ 2,536,442
US Equities	<u>184,810</u>	<u>-</u>	<u>-</u>	<u>184,810</u>
	<u>\$ 2,721,252</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,721,252</u>

# SURREY SERVICES FOR SENIORS, INC.

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

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### NOTE H - UNEMPLOYMENT TRUST

The Corporation participates in a Trust created by and for nonprofit organizations that provides an alternative to paying state unemployment taxes. Federal law allows 501 (c)(3) organizations to opt out of their state's unemployment system and agree to directly reimburse the state for their own unemployment claims. The Trust establishes an account that is used to cover current claims in process, and future claims. The account also pays administrative expenses of the Trust and participates in the investment results of the Trust's assets. The balance in the account is \$15,892 and \$13,565 as of June 30, 2023 and 2022, respectively and is included in prepaid expenses.

### NOTE I - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions represent assets whose use by the Corporation is subject to grantor- or donor-imposed restrictions that can be fulfilled through the actions of the Corporation or by the passage of time. Net assets with donor restrictions at June 30, 2023 and 2022, consist of grants and donations received but not yet spent for their intended purpose as follows:

	<u>2023</u>	<u>2022</u>
Donor gifts to support Surrey programs	\$ 14,129	\$ 38,799
Endowment	<u>959,406</u>	<u>921,729</u>
Total net assets with donor restrictions	<u>\$ 973,535</u>	<u>\$ 960,528</u>

Net assets released from donor restrictions for the years ended June 30, 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Donor gifts to support Surrey programs	<u>\$ 106,799</u>	<u>\$ 140,806</u>

# SURREY SERVICES FOR SENIORS, INC.

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

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### NOTE J - DONATED MATERIALS AND SERVICES

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their values in the period received.

The following schedule summarizes recorded donations of goods and services:

	<u>2023</u>	<u>2022</u>
Advertising	\$ -	\$ 500
Automobile utilized for transportation program services	<u>11,500</u>	<u>-</u>
Total	<u>\$ 11,500</u>	<u>\$ 500</u>

The fair value for the automobile was estimated based on comparable sales of similar automobiles in the Corporation's principal market. Contributed advertising services are valued and reported at the estimated fair value in the financial statements based on current rates for similar services.

### NOTE K - FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Program service costs include expenses to provide transportation, home care, social activities, nutritional programs and volunteer activities. Fund-raising expenses are costs related to development, grant writing and other fund-raising efforts. Management and general expenses are costs directly related to the overall operation of the Corporation, which are not associated with program or fund-raising services. Certain management and general expenses, such as payroll, employee benefits and payroll taxes, are allocated to program and fund-raising based on the employees' use of their time. Various indirect expenses are allocated based upon a percentage of direct functional expense of program, management and general, and fundraising. All other expenses are allocated based upon actual cost tracking by functional expense use.

### NOTE L - RETIREMENT PLAN

The Corporation has a 401(k)-retirement plan covering substantially all qualified employees. The Plan is being funded currently. Contributions by the Corporation represent an employer match of 50% of the first six percent of employee deferral. Contributions for the year ended June 30, 2023 and 2022 were \$73,567 and \$65,235, respectively.

# SURREY SERVICES FOR SENIORS, INC.

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

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### NOTE M - LEASES

The Corporation has various operating leases for office equipment and centers. As of June 30, 2023, assets recorded under operating leases were \$585,822. The following reconciles the undiscounted cash flows for the operating lease liability recorded on the balance sheet as of June 30, 2023:

Year Ending June 30,	
2024	\$ 175,085
2025	182,427
2026	190,256
2027	139,344
2028	43,708
	<u>730,820</u>
Less: present value discount	<u>(44,998)</u>
Total lease liabilities	<u>\$ 685,822</u>

Total lease expense for the long-term non-cancelable leases noted above for the year ended June 30, 2023, was \$168,834. Total lease expense reported on the statement of activities for the year ended June 30, 2023 is \$199,781, which includes both the long-term portion of \$168,834 and short-term lease portion of \$30,947. Total rent expense is \$80,437 for the year ended June 30, 2022.

The following presents selected other information required to be disclosed including the remaining lease term and discount rate for the operating leases as of June 30, 2023:

#### Other information

Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from operating leases	\$ 168,834
Weighted-average remaining lease term in years of operating lease	4.01
Weighted-average discount rate for operating lease	4.50%

# SURREY SERVICES FOR SENIORS, INC.

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

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### NOTE N - RESULTS OF SPECIAL EVENTS

The following table presents the results of the Corporation's major fundraising projects and events:

	2023		
	<u>Revenues</u>	<u>Expenses</u>	<u>Net Results</u>
Gala	\$ <u>140,938</u>	\$ <u>58,798</u>	\$ <u>82,140</u>
	2022		
	<u>Revenues</u>	<u>Expenses</u>	<u>Net Results</u>
Golf fundraiser	\$ <u>112,551</u>	\$ <u>55,742</u>	\$ <u>56,809</u>

The above revenues are included in special events and the related expenses are recorded in fund-raising expenses on the statements of activities.

### NOTE O - LINE OF CREDIT

The Corporation has a business line of credit with a bank. The maximum amount available as of June 30, 2023 and 2022 is \$500,000 with interest at the bank's prime rate (8.25% at June 30, 2023) on any outstanding balance. The maximum balance outstanding during the fiscal years ended June 30, 2023 and 2022, respectively, was \$450,000 and \$220,000. The line of credit is due on demand with currently no expiration date. There was no outstanding balance as of June 30, 2023 or 2022.

### NOTE P - PROVIDER AGREEMENTS

The Corporation has a Provider Agreement with the County of Delaware, Office of Services for the Aging (COSA) to provide services for two centers in Havertown and Media, Pennsylvania. The services include center management, congregate meals, home delivered meals and volunteer services. Under the terms of the agreement, the Corporation is required to provide COSA program schedules as supplemental information detailing the COSA program activity for the fiscal year. The supplemental schedules are included on pages 21 and 22 as additional information.

The Corporation has recognized \$343,898 and \$321,616 of program service revenue for the years ended June 30, 2023 and 2022, respectively. There is \$63,768 and \$41,486 due from COSA included in accounts receivable as of June 30, 2023 and 2022, respectively.

The Corporation had a contract with the Chester County Department of Aging Services ("CCDAS") to provide support for congregate meals, senior community center services, volunteer services and information and referral programs in Chester County, Pennsylvania. The purpose of the senior community center program is to facilitate the social, emotional, and physical well-being of older Pennsylvanians as part of a comprehensive and coordinated system of services and the establishment and support of community based services and activities. The Corporation received contracts for \$17,252 for the period ended June 30, 2022. The contract was not renewed for the year ended June 30, 2023.

# **SURREY SERVICES FOR SENIORS, INC.**

## **NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2023 AND 2022**

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### **NOTE Q - LIQUIDITY**

In addition to the Corporation's cash balances, the liquidity management program includes a \$500,000 line of credit, of which \$500,000 was available at June 30, 2023. In addition to these items, at June 30, 2023 and 2022, respectively, the Corporation's invested assets of approximately \$1,975,000 and \$1,908,000 were also immediately available to the Company for liquidity by corporate action.

### **NOTE R - EMPLOYEE RETENTION CREDIT**

In 2021, the Employee Retention Credit is a fully refundable tax credit for employers equal to 70 percent of qualified wages (including allocable qualified health plan expenses) that Eligible Employers pay their employees. This Employee Retention Credit applies to qualified wages paid after January 1, 2021, and before September 30, 2021. The maximum amount of qualified wages taken into account with respect to each employee for all calendar quarters is \$10,000, so that the maximum credit for an Eligible Employer for qualified wages paid to any employee is \$7,000. The Corporation calculated its eligible credit for Q1 and Q2 of 2021 to be \$409,958. This amount has been recognized as income in the year ended June 30, 2023, since the Corporation determined that it had met the program's eligibility conditions during the year ended June 30, 2023.

### **NOTE S - NEW SERVICE CENTER LOCATION**

On October 1, 2023, the Corporation signed a two- year lease agreement with the Bryn Mawr Presbyterian Church to establish a service center in Montgomery County located in the Foerderer House, 119 Radnor Street, Bryn Mawr, Pennsylvania. Capital expenditures of \$144,000 are anticipated to set up the service center and the annual costs of operating the center are anticipated to be \$150,000. The Corporation feels that expanding its services into Montgomery County will provide a significant benefit to Montgomery County residents as well as other nearby residents who will benefit from the Corporation's services.



## **SUPPLEMENTARY INFORMATION**

# SURREY SERVICES FOR SENIORS, INC.

## SCHEDULES OF REVENUE AND EXPENSES FOR THE HAVERTOWN, BROOMALL AND MEDIA PROGRAMS YEAR ENDED JUNE 30, 2023

	Havertown	Broomall	Havertown/Broomall Center	Media	Total
<b>Support and revenue</b>					
COSA contract	\$ 90,724	\$ 74,490	\$ 165,214	\$ 158,229	\$ 323,443
Senior Center programs	4,722	4,211	8,933	3,778	12,711
Surrey fund-raising	344	90,189	90,533	678	91,211
Grants	-	378,400	378,400	6,678	385,078
Senior Center meal contributions	1,847	4,867	6,714	9,648	16,362
Senior Center transportation	8	-	8	823	831
	<u>97,645</u>	<u>552,157</u>	<u>649,802</u>	<u>179,834</u>	<u>829,636</u>
<b>Total revenue</b>	<b>\$ 97,645</b>	<b>\$ 552,157</b>	<b>\$ 649,802</b>	<b>\$ 179,834</b>	<b>\$ 829,636</b>
<b>Employee expenses</b>					
Staff wages	\$ 58,905	\$ 43,110	\$ 102,015	\$ 94,957	\$ 196,972
Employee FICA	4,599	3,094	7,693	7,121	14,814
Workers compensation	2,346	-	2,346	1,877	4,223
Health insurance	18,866	9,073	27,939	21,536	49,475
	<u>84,716</u>	<u>55,277</u>	<u>139,993</u>	<u>125,491</u>	<u>265,484</u>
<b>Total employee expenses</b>	<b>\$ 84,716</b>	<b>\$ 55,277</b>	<b>\$ 139,993</b>	<b>\$ 125,491</b>	<b>\$ 265,484</b>
<b>Administrative expenses</b>					
Rent	23,000	85,117	108,117	42,070	150,187
Telephone	1,384	1,607	2,991	1,038	4,029
Postage	1,704	63	1,767	1,278	3,045
Janitor services	6,166	6,752	12,918	6,424	19,342
Supplies	441	6,097	6,538	134	6,672
Maintenance and repairs	465	15,451	15,916	-	15,916
Depreciation	3,244	15,964	19,208	1,724	20,932
Training and technology	11,171	3,292	14,463	10,113	24,576
	<u>47,575</u>	<u>134,343</u>	<u>181,918</u>	<u>62,781</u>	<u>244,699</u>
<b>Total administrative expenses</b>	<b>\$ 47,575</b>	<b>\$ 134,343</b>	<b>\$ 181,918</b>	<b>\$ 62,781</b>	<b>\$ 244,699</b>
<b>Program expenses</b>					
Community transit	22	-	22	7,025	7,047
Senior Center social and recreation	161	6,092	6,253	7,420	13,673
Senior Center nutrition	103	5,455	5,558	726	6,284
	<u>286</u>	<u>11,547</u>	<u>11,833</u>	<u>15,171</u>	<u>27,004</u>
<b>Total program expense</b>	<b>\$ 286</b>	<b>\$ 11,547</b>	<b>\$ 11,833</b>	<b>\$ 15,171</b>	<b>\$ 27,004</b>
<b>Management</b>					
Marketing	4,375	9,008	13,383	3,505	16,888
Volunteer drivers	917	231	1,148	-	1,148
Insurance general and liability	2,049	3,139	5,188	1,537	6,725
Professional services	2,277	10,511	12,788	1,818	14,606
Surrey management	3,639	62,339	65,978	3,639	69,617
	<u>13,257</u>	<u>85,228</u>	<u>98,485</u>	<u>10,499</u>	<u>108,984</u>
<b>Total management</b>	<b>\$ 13,257</b>	<b>\$ 85,228</b>	<b>\$ 98,485</b>	<b>\$ 10,499</b>	<b>\$ 108,984</b>
<b>Total expenses</b>	<b>\$ 145,834</b>	<b>\$ 286,395</b>	<b>\$ 432,229</b>	<b>\$ 213,942</b>	<b>\$ 646,171</b>
<b>Capital expenditures</b>	<b>-</b>	<b>416,509</b>	<b>416,509</b>	<b>-</b>	<b>416,509</b>
<b>Total expenses including capital expenditures</b>	<b>\$ 145,834</b>	<b>\$ 702,904</b>	<b>\$ 848,738</b>	<b>\$ 213,942</b>	<b>\$ 1,062,680</b>
<b>Net surplus (deficit)</b>	<b>\$ (48,189)</b>	<b>\$ (150,747)</b>	<b>\$ (198,936)</b>	<b>\$ (34,108)</b>	<b>\$ (233,044)</b>

# SURREY SERVICES FOR SENIORS, INC.

## SCHEDULES OF REVENUE AND EXPENSES FOR THE HAVERTOWN AND MEDIA PROGRAMS YEAR ENDED JUNE 30, 2022

	<u>Havertown</u>	<u>Media</u>	<u>Total</u>
<b>Support and revenue</b>			
COSA contract	\$ 141,171	\$ 159,988	\$ 301,159
Senior Center programs	6,529	3,744	10,273
Surrey fund-raising	1,575	200	1,775
Grants	5,938	4,752	10,690
Senior Center meal contributions	3,209	9,971	13,180
Senior Center transportation	-	606	606
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total revenue</b>	<u>\$ 158,422</u>	<u>\$ 179,261</u>	<u>\$ 337,683</u>
<b>Employee expenses</b>			
Staff wages	\$ 59,035	\$ 93,657	\$ 152,692
Employee FICA	4,327	7,044	11,371
Workers compensation	785	1,048	1,833
Health insurance	14,199	18,408	32,607
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total employee expenses</b>	<u>78,346</u>	<u>120,157</u>	<u>198,503</u>
<b>Administrative expenses</b>			
Rent	24,000	42,000	66,000
Telephone	1,068	1,247	2,315
Postage	1,888	2,134	4,022
Janitor services	9,472	5,870	15,342
Supplies	566	224	790
Depreciation	5,275	1,754	7,029
Training and technology	9,867	10,351	20,218
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total administrative expenses</b>	<u>52,136</u>	<u>63,580</u>	<u>115,716</u>
<b>Program expenses</b>			
Community transit	-	4,958	4,958
Senior Center social and recreation	6,740	9,904	16,644
Senior Center nutrition	265	505	770
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total program expense</b>	<u>7,005</u>	<u>15,367</u>	<u>22,372</u>
<b>Management</b>			
Marketing	4,267	4,900	9,167
Volunteer drivers	1,539	35	1,574
Insurance general and liability	1,724	2,012	3,736
Professional services	3,503	3,840	7,343
Surrey management	36,162	7,941	44,103
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total management</b>	<u>47,195</u>	<u>18,728</u>	<u>65,923</u>
<b>Total expenses</b>	<u>\$ 184,682</u>	<u>\$ 217,832</u>	<u>\$ 402,514</u>
<b>Capital expenditures</b>	<u>4,608</u>	<u>-</u>	<u>4,608</u>
<b>Total expenses including capital expenditures</b>	<u>\$ 189,290</u>	<u>\$ 217,832</u>	<u>\$ 407,122</u>
Net (deficit)	<u>\$ (30,868)</u>	<u>\$ (38,571)</u>	<u>\$ (69,439)</u>

***Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards***

To the Board of Directors  
Surrey Services for Seniors, Inc.  
Devon, Pennsylvania

We have audited, 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, the basic financial statements of the Surrey Services for Seniors, Inc., which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended and the related notes to the financial statements, and have issued our report thereon dated November 29, 2023.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered Surrey Services for Seniors, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Surrey Services for Seniors, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Surrey Services for Seniors, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Board of Directors  
Surrey Services for Seniors, Inc.  
Devon, Pennsylvania

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Surrey Services for Seniors, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "A. Miller LLP".

Limerick, Pennsylvania  
November 29, 2023