

**SURREY SERVICES FOR SENIORS, INC.**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

*Years Ended June 30, 2024 and 2023*

YEARS ENDED JUNE 30, 2024 AND 2023

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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, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Surrey Services for Seniors, Inc. 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 (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.

#### ***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.

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

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

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 24 and 25 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.

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

***Other Information Included in the Annual Report***

Management is responsible for the other information included in the annual report. The other information comprises certain financial amounts included in the annual report but does not include the financial statements and our auditor's 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 thereon.

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.

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

In accordance with *Government Auditing Standards*, we have issued our report dated November 19, 2024 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.

A handwritten signature in black ink, appearing to read "Miller LLP", is positioned above the typed name and date.

Limerick, Pennsylvania  
November 19, 2024

**SURREY SERVICES FOR SENIORS, INC.****STATEMENTS OF FINANCIAL POSITION****JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 538,602	\$ 520,573
Investments	1,918,410	1,975,155
Accounts receivable, net	129,779	101,205
Grants receivable	32,561	38,666
Other receivables	41,863	60,448
Other current assets	5,050	2,550
Unconditional promises to give	163,007	119,652
Prepaid expenses	45,106	78,423
TOTAL CURRENT ASSETS	<u>2,874,378</u>	<u>2,896,672</u>
PROPERTY AND EQUIPMENT		
Property and equipment	6,285,031	6,090,950
Accumulated depreciation	(2,084,692)	(1,734,834)
TOTAL PROPERTY AND EQUIPMENT	<u>4,200,339</u>	<u>4,356,116</u>
LONG-TERM ASSETS		
Unconditional promises to give, net	2,580	24,761
Restricted cash	35,538	5,475
Restricted investments, marketable securities	901,419	953,931
Other long-term assets	20,000	20,000
Operating lease right-of-use asset, net	471,805	585,822
TOTAL LONG-TERM ASSETS	<u>1,431,342</u>	<u>1,589,989</u>
TOTAL ASSETS	<u>\$ 8,506,059</u>	<u>\$ 8,842,777</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 147,768	\$ 173,130
Accrued liabilities	214,091	221,655
Deferred revenue	16,780	47,050
Current portion of operating lease liability	167,744	154,017
TOTAL CURRENT LIABILITIES	<u>546,383</u>	<u>595,852</u>
LONG-TERM LIABILITIES		
Operating lease liabilities, less current portion	<u>364,061</u>	<u>531,805</u>
NET ASSETS		
Without donor restrictions	6,646,068	6,741,585
With donor restrictions	949,547	973,535
TOTAL NET ASSETS	<u>7,595,615</u>	<u>7,715,120</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 8,506,059</u>	<u>\$ 8,842,777</u>

*See accompanying notes.*

**SURREY SERVICES FOR SENIORS, INC.**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUE AND GAINS		
Program services	\$ 1,901,687	\$ 1,674,848
Government	196,903	697,804
Business and community organizations	28,435	2,830
Foundation grants	187,000	209,500
Individuals	2,135,165	1,636,974
Member dues	87,446	81,340
Special events	325,194	159,257
Sales to public	285,843	250,721
Donated materials, services, and facilities	84,230	11,500
Employee retention credit	-	409,958
Net investment income	231,583	165,063
Other income	23,470	3,391
Net assets released from restrictions	81,124	106,799
TOTAL REVENUE, GAINS, AND OTHER		
SUPPORT WITHOUT DONOR RESTRICTIONS	<u>5,568,080</u>	<u>5,409,985</u>
EXPENSES		
Program services	4,153,385	3,454,756
Management and general	719,911	756,175
Fund-raising	790,301	605,662
TOTAL EXPENSES	<u>5,663,597</u>	<u>4,816,593</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>(95,517)</u>	<u>593,392</u>
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Foundations	12,590	8,851
Individuals	-	24,731
Business and community organizations	-	5,000
Net investment income	44,546	81,224
Net assets released from restrictions	(81,124)	(106,799)
INCREASE (DECREASE) IN NET ASSETS WITH		
DONOR RESTRICTIONS	<u>(23,988)</u>	<u>13,007</u>
CHANGE IN NET ASSETS	(119,505)	606,399
NET ASSETS AT BEGINNING OF THE YEAR	<u>7,715,120</u>	<u>7,108,721</u>
NET ASSETS AT END OF THE YEAR	<u>\$ 7,595,615</u>	<u>\$ 7,715,120</u>

*See accompanying notes.*

**SURREY SERVICES FOR SENIORS, INC.****STATEMENT OF FUNCTIONAL EXPENSES****YEAR ENDED JUNE 30, 2024**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund-raising</u>	<u>Total</u>
Payroll	\$ 2,139,437	\$ 329,689	\$ 418,310	\$ 2,887,436
Payroll taxes	159,673	23,106	30,281	213,060
Employee benefits	<u>225,671</u>	<u>80,557</u>	<u>71,463</u>	<u>377,691</u>
 TOTAL PAYROLL AND RELATED BENEFITS	 2,524,781	 433,352	 520,054	 3,478,187
Activities	58,451	-	1,970	60,421
Credit loss	530	-	399	929
Client services	347,404	-	-	347,404
Credit card fees	19,219	11	5,465	24,695
Depreciation	309,357	33,972	6,530	349,859
Event expenses	-	-	178,734	178,734
Insurance	32,314	17,255	3,623	53,192
Lease	274,721	-	-	274,721
Miscellaneous	24,943	7,864	878	33,685
Payroll service	25,388	4,075	1,881	31,344
Postage	12,385	13,369	8,854	34,608
Printing	47,534	18,948	25,202	91,684
Professional development	2,953	2,870	1,199	7,022
Professional fees	33,518	88,403	1,542	123,463
Public relations	11,191	6,358	4,453	22,002
Repairs and maintenance	144,614	24,536	2,916	172,066
Supplies	12,044	8,729	767	21,540
Technology	159,513	42,460	20,680	222,653
Telephone	22,752	7,353	3,529	33,634
Travel	284	1,001	456	1,741
Utilities	51,360	9,355	1,169	61,884
Vehicle expense	<u>38,129</u>	<u>-</u>	<u>-</u>	<u>38,129</u>
 TOTAL PROGRAM AND SUPPORTING EXPENSES	 \$ <u>4,153,385</u>	 \$ <u>719,911</u>	 \$ <u>790,301</u>	 \$ <u>5,663,597</u>
 % of total expenses	 73.3%	 12.7%	 14.0%	 100.0%

*See accompanying notes.*



**SURREY SERVICES FOR SENIORS, INC.****STATEMENT OF FUNCTIONAL EXPENSES****YEAR ENDED JUNE 30, 2023**

	Program Services	Management and General	Fund-raising	Total
Payroll	\$ 1,792,351	\$ 400,109	\$ 318,391	\$ 2,510,851
Payroll taxes	134,005	29,659	22,555	186,219
Employee benefits	247,786	65,250	61,788	374,824
<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
Credit loss	-	-	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	36,471	-	-	36,471
<b>TOTAL PROGRAM AND SUPPORTING EXPENSES</b>	<b>\$ 3,454,756</b>	<b>\$ 756,175</b>	<b>\$ 605,662</b>	<b>\$ 4,816,593</b>
% of total expenses	71.7%	15.7%	12.6%	100.0%

*See accompanying notes.*

# SURREY SERVICES FOR SENIORS, INC.

## STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (119,505)	\$ 606,399
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	349,859	213,761
Amortization of discount on promises to give	(879)	(9,183)
Allowance for uncollectible promises to give	399	(3,686)
Allowance for credit losses	(2,500)	-
Donated investments included in support	(25,415)	(39,721)
Net realized and unrealized gain on investments	(206,954)	(188,189)
Right-of-use asset reduction	114,017	144,421
(Increase) decrease in		
Promises to give	(20,694)	146,335
Accounts and other receivables	(1,384)	13,224
Prepaid expenses	33,317	(17,608)
Other assets	(2,500)	18,469
Increase (decrease) in		
Accounts payable	(25,362)	(3,569)
Deferred revenue	(30,270)	24,520
Accrued expenses	(7,564)	37,596
Operating lease liability	(154,017)	(144,421)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>(99,452)</b>	<b>798,348</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	1,796,692	2,987,322
Purchases of investments	(1,455,067)	(2,967,246)
Purchase of property and equipment	(194,081)	(561,595)
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>147,544</b>	<b>(541,519)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Borrowings on line of credit	-	450,000
Payments of line of credit	-	(450,000)
<b>NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE IN CASH</b>	<b>48,092</b>	<b>256,829</b>
<b>CASH AT BEGINNING OF YEAR</b>	<b>526,048</b>	<b>269,219</b>
<b>CASH AT END OF YEAR</b>	<b>\$ 574,140</b>	<b>\$ 526,048</b>
<b>SUPPLEMENTAL DISCLOSURES</b>		
Interest paid	\$ -	\$ 7,326
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	\$ 538,602	\$ 520,573
Cash and cash equivalents, restricted	35,538	5,475
	<b>\$ 574,140</b>	<b>\$ 526,048</b>

See accompanying notes.

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

## **NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2024 AND 2023**

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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 467 (2024) and 395 (2023) volunteers. The total volunteer hours exceeded 39,074 and 33,453 for 2024 and 2023, 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 donors-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.

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.

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

## **NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2024 AND 2023**

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

#### **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 Corporation assesses collectability by pooling receivables where similar characteristics exist and evaluates receivables individually when specific customer balances no longer share those risk characteristics and are considered at risk or uncollectible.

The allowance for credit losses is based on prior years' experience and management's analysis of current and future conditions. The allowance is \$2,500 and \$5,000 as of June 30, 2024 and 2023.

#### **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, 2024 AND 2023**

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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, 2024 and 2023, 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, the Corporation does not require collateral or other security to support credit sales, and provides an allowance for credit loss based on historical experience and specifically identified risks.

One donor accounted for more than 10% of support during the year ended June 30, 2024 and one donor accounted for more than 10% of support during the year ended June 30, 2023. The total support from the donors in 2024 and 2023 was \$950,000 and \$700,000, 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, 2024 AND 2023**

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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. Accrued compensated absences as of June 30, 2024 and 2023 are \$36,281 and \$29,638, 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, 2024 and 2023 was \$16,780 and \$47,050, 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 \$1,901,687 and \$1,674,848 for 2024 and 2023, 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 \$285,843 and \$250,721 for 2024 and 2023, 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 \$325,194 and \$159,257 for 2024 and 2023, 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 2024 and 2023 were \$178,734 and \$81,395, respectively.

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

## **NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2024 AND 2023**

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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 the Corporation does 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 \$400,931 and \$488,381 for the years ended June 30, 2024 and 2023, respectively. In addition, contributions in the form of pledges totaled \$0 and \$2,500 for the years ended June 30, 2024 and 2023, respectively.

#### **Donated Materials and Facilities**

Donated materials, services, and facilities are reported at fair value at the date of the donations.

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

## **NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2024 AND 2023**

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

#### **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.

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 the Corporation qualifies as a lease, the Corporation considers factors such as if the Corporation has obtained substantially all of the rights to the underlying asset through exclusivity, if the Corporation 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 June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The ASU represented a change in the allowance for credit losses accounting model by requiring immediate recognition of management's estimates of current expected credit losses (CECL). Under the prior model, losses were recognized only as they were incurred, which FASB has noted delayed recognition of expected losses that might not yet have met the threshold of being probable. ASU 2016-13 is effective for periods beginning after December 15, 2022.

The Organization adopted the standard effective July 1, 2023. The adoption of ASU 2016-13 did not have a material impact on the financial statements.

#### **Date of Management's Review**

Management has evaluated subsequent events through November 19, 2024, the date the financial statements were available to be issued.



**SURREY SERVICES FOR SENIORS, INC.**

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

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**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.

	June 30, 2022	June 30, 2023	June 30, 2024
Accounts receivable	\$ <u>134,671</u>	\$ <u>101,205</u>	\$ <u>129,779</u>
Contract liabilities	\$ <u>22,530</u>	\$ <u>47,050</u>	\$ <u>16,780</u>

**NOTE D - UNCONDITIONAL PROMISES TO GIVE**

Unconditional promises to give at June 30, 2024 and 2023 are as follows:

	2024	2023
Receivable in less than one year	\$ 163,007	\$ 119,652
Receivable in one to five years	<u>6,790</u>	<u>29,451</u>
Total unconditional promises to give	169,797	149,103
Less: discounts to net present value	(815)	(1,694)
Less: allowance for uncollectible promises	<u>(3,395)</u>	<u>(2,996)</u>
Net unconditional promises to give at June 30, 2024 and 2023	\$ <u>165,587</u>	\$ <u>144,413</u>

# SURREY SERVICES FOR SENIORS, INC.

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

### NOTE E - PROPERTY AND EQUIPMENT

A summary of property and equipment is as follows:

	2024	2023	Estimated Useful Life Years
Land	\$ 1,222,164	\$ 1,222,164	
Building	2,031,520	2,031,520	40
Building improvements	1,339,161	1,291,284	15
Leashold improvements	509,950	489,255	lesser of useful life or lease term
Vehicles	189,691	144,369	5
Equipment and furniture	992,545	912,358	3 to 5
	<u>6,285,031</u>	<u>6,090,950</u>	
Accumulated depreciation	<u>(2,084,692)</u>	<u>(1,734,834)</u>	
Net book value of property and equipment	<u>\$ 4,200,339</u>	<u>\$ 4,356,116</u>	

### NOTE F - INVESTMENTS

Investments at fair value consist of the following as of June 30, 2024:

	2024		
	Cost	Unrealized Holding Gain (Loss)	Fair Value
Investments, current assets			
Exchange Traded Funds			
US equities	\$ 929,992	\$ 194,031	\$ 1,124,023
US Intermediate-term bond	121,709	(16,776)	104,933
Short-term treasury bond	155,354	(3,342)	152,011
Short-term corporate bond	104,342	1,448	105,790
International equities	186,404	28,611	215,014
Emerging markets equities	52,841	3,526	56,367
US Equities	<u>149,280</u>	<u>10,991</u>	<u>160,272</u>
	<u>1,699,922</u>	<u>218,489</u>	<u>1,918,410</u>
Investments, long-term assets			
Government Securities			
US Treasury Notes	199,297	3,180	202,477
Corporate Bonds	203,501	6,335	209,836
Exchange Traded Funds			
US equities	196,460	40,438	236,899
Short-term treasury bond	103,517	21	103,538
Short-term corporate bond	47,026	653	47,679
International equities	87,937	901	88,839
Emerging markets equities	11,332	819	12,151
	<u>849,070</u>	<u>52,347</u>	<u>901,419</u>
	<u>\$ 2,548,992</u>	<u>\$ 270,836</u>	<u>\$ 2,819,829</u>

**SURREY SERVICES FOR SENIORS, INC.****NOTES TO THE FINANCIAL STATEMENTS****JUNE 30, 2024 AND 2023****NOTE F - INVESTMENTS (Continued)**

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>

**Endowment Funds**

The donor-restricted endowment funds are listed as long-term, restricted investments and restricted cash on the balance sheet as of June 30, 2024 and 2023. Effective March 26, 2021, the Corporation has adopted a spending policy in which the Corporation 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, 2024 AND 2023

### NOTE F - INVESTMENTS (Continued)

Changes in endowment funds as of June 30, 2024 and 2023 is as follows:

	2024	2023
Balance, beginning of year	\$ 959,406	\$ 921,729
Contributions to endowment	-	24,453
Withdraw to support corporation	(66,995)	(68,000)
Unrealized gains	19,855	62,334
Interest and dividends, net of management fees	24,691	18,890
Balance, end of year	<u>\$ 936,957</u>	<u>\$ 959,406</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, 2024				
	Level 1	Level 2	Level 3	Total
Exchange traded funds	\$ 2,247,244	\$ -	\$ -	\$ 2,247,244
US Equities	160,272	-	-	160,272
Corporate Bonds	-	209,836	-	209,836
US Treasury Notes	202,477	-	-	202,477
	<u>\$ 2,609,993</u>	<u>\$ 209,836</u>	<u>\$ -</u>	<u>\$ 2,819,829</u>
Investment Assets at Fair Value as of June 30, 2023				
	Level 1	Level 2	Level 3	Total
Exchange traded funds	\$ 2,575,249	\$ -	\$ -	\$ 2,575,249
US Equities	202,775	-	-	202,775
US Treasury Notes	151,062	-	-	151,062
	<u>\$ 2,929,086</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,929,086</u>

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

## **NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2024 AND 2023**

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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 as of June 30, 2024 and 2023 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. Endowments are perpetual in nature and stipulate that resources be maintained in perpetuity. Net assets with donor restrictions at June 30, 2024 and 2023, consist of grants and donations received but not yet spent for their intended purpose as follows:

	<u>2024</u>	<u>2023</u>
Surrey Academy	\$ -	\$ 13,851
Fitness program	-	278
Nutrition	12,590	-
Endowment	<u>936,957</u>	<u>959,406</u>
	<u>\$ 949,547</u>	<u>\$ 973,535</u>

Net assets released from donor restrictions for the years ended June 30, 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Surrey Academy	\$ 13,851	\$ 10,000
Fitness program	278	582
Nutrition	-	28,217
Endowment	<u>66,995</u>	<u>68,000</u>
	<u>\$ 81,124</u>	<u>\$ 106,799</u>

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

## **NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2024 AND 2023**

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### **NOTE J - DONATED MATERIALS, SERVICES, AND FACILITIES**

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 donated space is used to carry out the Corporation's programs.

The following schedule summarizes recorded donations of goods and services:

	<u>2024</u>	<u>2023</u>
Advertising services	\$ 3,230	\$ -
Building rent	81,000	-
Automobile for transportation services	<u>-</u>	<u>11,500</u>
Total	<u>\$ 84,230</u>	<u>\$ 11,500</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. For donated facilities, the Corporation estimated the fair value based on estimates of occupancy costs in the area.

### **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, 2024 and 2023 were \$84,617 and \$73,567, respectively.

# SURREY SERVICES FOR SENIORS, INC.

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

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### NOTE M - LEASES

The Corporation has various operating leases for office equipment and centers. As of June 30, 2024 and 2023, assets recorded under operating leases were \$471,805 and \$585,822, respectively. The following reconciles the undiscounted cash flows for the operating lease liability recorded on the balance sheet as of June 30, 2024:

Year Ending June 30,	
2025	\$ 182,427
2026	190,256
2027	139,344
2028	43,708
	<u>555,735</u>
Less: present value discount	<u>(23,930)</u>
Total lease liabilities	<u>\$ 531,805</u>

Total lease expense for the long-term non-cancelable leases noted above for the years ended June 30, 2024 and 2023, was \$175,088 and \$168,834, respectively. Total lease expense reported on the statement of activities for the year ended June 30, 2024 is \$274,721, which includes the long-term portion of \$175,088, the short-term lease portion of \$18,633 and contributed lease expense of \$81,000. Total lease expense reported on the statement of activities for the year ended June 30, 2023 was \$199,781, which includes both the long-term portion of \$168,834 and short-term lease portion of \$30,947.

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, 2024:

Other information	2024	2023
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ 175,088	\$ 168,834
Weighted-average remaining lease term in years of operating lease	3.03	4.01
Weighted-average discount rate for operating lease	4.50%	4.50%

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

## **NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2024 AND 2023**

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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:

	2024		
	<u>Revenues</u>	<u>Expenses</u>	<u>Net Results</u>
Gala	\$ 146,706	\$ 86,003	\$ 60,703
Golf fundraiser	70,441	52,187	18,254
Holiday event	<u>108,047</u>	<u>39,086</u>	<u>68,961</u>
	<u>\$ 325,194</u>	<u>\$ 177,276</u>	<u>\$ 147,918</u>
	2023		
	<u>Revenues</u>	<u>Expenses</u>	<u>Net Results</u>
Gala	<u>\$ 140,938</u>	<u>\$ 58,798</u>	<u>\$ 82,140</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, 2024 is \$500,000 with interest at the bank's prime rate (8.5% at June 30, 2024) on any outstanding balance. The maximum balance outstanding during the fiscal years ended June 30, 2024 and 2023, respectively, was \$0 and \$450,000. The line of credit is due on demand with currently no expiration date. There was no outstanding balance as of June 30, 2024 or 2023.

### **NOTE P - PROVIDER AGREEMENTS**

During the year ended June 30, 2024, the Corporation had a Provider Agreement with the County of Delaware, Office of Services for the Aging (COSA) to provide services for centers in Broomall and Media, Pennsylvania. For the year ended June 30, 2023, the Corporation also had a center in Havertown, 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 23 and 24 as additional information.

The Corporation has recognized \$347,238 and \$343,898 of program service revenue for the years ended June 30, 2024 and 2023, respectively. There is \$61,255 and \$63,768 due from COSA included in accounts receivable as of June 30, 2024 and 2023, respectively.



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

### **NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2024 AND 2023**

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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, 2024. In addition to these items, at June 30, 2024 and 2023, respectively, the Corporation's invested assets of approximately \$1,918,000 and \$1,975,000 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.

## **SUPPLEMENTARY INFORMATION**

**SURREY SERVICES FOR SENIORS, INC.**  
**SCHEDULES OF REVENUE AND EXPENSES FOR THE BROOMALL**  
**AND MEDIA PROGRAMS**  
**YEAR ENDED JUNE 30, 2024**

	Broomall Center	Media	Total
<b>Support and revenue</b>			
COSA contract	\$ 148,626	\$ 180,074	\$ 328,700
Senior Center programs	16,039	3,837	19,876
Surrey fund-raising	13,567	3,553	17,120
Grants	4,541	1,000	5,541
Senior Center meal contributions	14,319	7,578	21,897
Senior Center transportation	-	833	833
<b>Total revenue</b>	<b>\$ 197,092</b>	<b>\$ 196,875</b>	<b>\$ 393,967</b>
<b>Employee expenses</b>			
Staff wages	\$ 149,909	\$ 100,269	\$ 250,178
Employer Taxes	10,754	7,229	17,983
Workers compensation	1,829	1,097	2,926
Employee Benefits	32,251	24,962	57,213
<b>Total employee expenses</b>	<b>194,743</b>	<b>133,557</b>	<b>328,300</b>
<b>Administrative expenses</b>			
Rent	130,665	42,840	173,505
Telephone	2,941	1,765	4,706
Postage	1,833	1,092	2,925
Janitor services	17,862	6,600	24,462
Supplies	1,738	675	2,413
Maintenance and repairs	23,945	400	24,345
Depreciation	98,659	1,494	100,153
Training and technology	18,169	14,427	32,596
<b>Total administrative expenses</b>	<b>295,812</b>	<b>69,293</b>	<b>365,105</b>
<b>Program expenses</b>			
Community transit	-	10,759	10,759
Senior Center social and recreation	16,506	9,546	26,052
Senior Center nutrition	4,573	537	5,110
<b>Total program expense</b>	<b>21,079</b>	<b>20,842</b>	<b>41,921</b>
<b>Management</b>			
Marketing	5,793	3,442	9,235
Volunteer drivers	500	500	1,000
Insurance general and liability	3,019	1,811	4,830
Professional services	1,851	2,048	3,899
Surrey management	45,549	41,909	87,458
<b>Total management</b>	<b>56,712</b>	<b>49,710</b>	<b>106,422</b>
<b>Total expenses</b>	<b>568,346</b>	<b>273,402</b>	<b>841,748</b>
<b>Capital expenditures</b>	<b>17,858</b>	<b>3,523</b>	<b>21,381</b>
<b>Total expenses including capital expenditures</b>	<b>\$ 586,204</b>	<b>\$ 276,925</b>	<b>\$ 863,129</b>
<b>Net (deficit)</b>	<b>\$ (389,112)</b>	<b>\$ (80,050)</b>	<b>\$ (469,162)</b>

# 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
<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
<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
<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
<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
<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>

***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, 2024, 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 19, 2024.

***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 black ink, appearing to read "Miller LLP", is positioned above the printed name and date.

Limerick, Pennsylvania  
November 19, 2024