

**YELLOW SPRINGS SENIOR CITIZENS, INC.**

DECEMBER 31, 2021

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OHIO SOCIETY OF CERTIFIED  
PUBLIC ACCOUNTANTS  
FED ID: 31-0603874

November 4, 2022

To the Board of Trustees  
Yellow Springs Senior Citizens, Inc.  
Yellow Springs, Ohio

## Independent Auditors' Report

### **Report on the Financial Statements**

We have audited the accompanying statement of financial position of Yellow Springs Senior Citizens, Inc. (a non-profit organization), as of December 31, 2021, and the related statement of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Yellow Springs Senior Citizens, Inc. as of December 31, 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**YELLOW SPRINGS SENIOR CITIZENS, INC.**  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2021

**ASSETS**

**CURRENT ASSETS**

Cash	\$ 55,773
Accounts receivable	10,621
Total current assets	66,394

**PROPERTY AND EQUIPMENT**

Building	70,372
Vehicles	90,103
Furniture and equipment	87,327
Building improvements	279,712
Total	527,514
Less accumulated depreciation	358,619
Property and equipment – net	168,895

**OTHER ASSETS**

Investments	78,248
Endowments	390,002
Cash equivalents restricted to purchase of staff education	3,141
Total other assets	471,391

Total assets	\$ 706,680
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**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable	\$ 1,193
Deferred revenue	10,000
Accrued payroll	12,138
Accrued payroll taxes	929
Accrued paid time off	5,738
Total current liabilities	29,998

**LONG-TERM LIABILITIES**

Rental deposits held	1,120
Total long-term liabilities	1,120

**NET ASSETS**

Without donor restrictions	282,419
With donor restrictions	393,143
Total net assets	675,562

Total liabilities and net assets	\$ 706,680
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**YELLOW SPRINGS SENIOR CITIZENS, INC.**  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUES, GAINS AND OTHER SUPPORT</b>			
Support			
Government grants	\$ 111,301	\$ 0	\$ 111,301
Other grants	3,120	0	3,120
Membership pledges	54,191	0	54,191
Contributions	59,995	3,600	63,595
In-kind contributions – personnel	891	0	891
Fundraising events (net of direct benefit costs of \$4,627)	9,458	0	9,458
Total support	<u>238,956</u>	<u>3,600</u>	<u>242,556</u>
Revenues			
Program service fees	92,912	0	92,912
Membership dues	4,271	0	4,271
Sales to the public	330	0	330
Rental income – net	6,397	0	6,397
Gain on sale of fixed assets	3,500	0	3,500
Investment return	11,552	49,423	60,975
Total revenues	<u>118,962</u>	<u>49,423</u>	<u>168,385</u>
Total support and revenues	<u>357,918</u>	<u>53,023</u>	<u>410,941</u>
Net assets released from restrictions			
restrictions satisfied by payments	2,482	(2,482)	0
Restrictions released by endowment contract	18,521	(18,521)	0
Total net assets released from restrictions	<u>21,003</u>	<u>(21,003)</u>	<u>0</u>
Total revenues, gains and other support	<u>378,921</u>	<u>32,020</u>	<u>410,941</u>
<b>EXPENSES</b>			
Program services	333,335	0	333,335
Supporting services:			
Management and general	47,840	0	47,840
Fundraising	9,932	0	9,932
Total expenses	<u>391,107</u>	<u>0</u>	<u>391,107</u>
<b>CHANGE IN NET ASSETS</b>	(12,186)	32,020	19,834
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>294,605</u>	<u>361,123</u>	<u>655,728</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 282,419</u>	<u>\$ 393,143</u>	<u>\$ 675,562</u>

See Notes to Financial Statements

**YELLOW SPRINGS SENIOR CITIZENS, INC.**  
 STATEMENT OF FUNCTIONAL EXPENSES  
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Program Services	Supporting Services		
		Management and General	Fundraising	Total
Salaries	\$ 211,496	\$ 17,609	\$ 5,460	\$ 234,565
Payroll taxes	17,552	1,462	453	19,467
Employee travel	3,039	0	0	3,039
Employee benefits	7,460	143	45	7,648
Contract labor	14,154	0	0	14,154
In-kind contributions - personnel	891	0	0	891
Licenses and permits	4,838	538	0	5,376
Memberships and publications	519	12	46	577
Events and activities	4,600	0	0	4,600
Vehicle gas and oil	1,454	0	0	1,454
Vehicle repair and maintenance	459	0	0	459
Interest expense	0	133	0	133
Postage	1,712	38	153	1,903
Advertising	1,797	40	160	1,997
Professional development	79	2	7	88
Custodial and grounds	3,491	3,142	349	6,982
Building repairs	2,060	1,854	206	4,120
Utilities	4,457	1,038	290	5,785
General supplies	4,688	910	248	5,846
Office supplies	1,766	1,472	175	3,413
Miscellaneous	452	0	0	452
Printing services	6,078	338	338	6,754
Telephone and internet	4,746	264	264	5,274
Bank charges	0	735	0	735
Investment fees	0	3,107	0	3,107
Liability and building insurance	2,571	6,837	411	9,819
Vehicle insurance	4,587	0	0	4,587
Professional services	7,264	6,573	132	13,969
Equipment lease	1,987	530	132	2,649
Depreciation	19,138	1,063	1,063	21,264
<b>Total expenses</b>	<b>\$ 333,335</b>	<b>\$ 47,840</b>	<b>\$ 9,932</b>	<b>\$ 391,107</b>

See Notes to Financial Statements

**YELLOW SPRINGS SENIOR CITIZENS, INC.**  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**OPERATING ACTIVITIES**

Change in net assets	\$ 19,834
Adjustments to reconcile change in net assets to net cash from operating activities:	
Depreciation	21,264
(Gain) on sale of fixed assets	(3,500)
Unrealized (gains) losses on investments	(24,049)
(Gain) on sale of investments	(27,896)
(Increase) decrease in:	
Accounts receivable	164
Increase (decrease) in	
Accounts payable	402
Deferred revenue	(668)
Accrued payroll and taxes	5,417
Accrued paid time off	5,738
Net cash provided (used) by operating activities	<u>(3,294)</u>

**INVESTING ACTIVITIES**

Purchase of investments	(1,213)
Contributions to endowment funds	(3,600)
Disbursements from endowment funds	21,003
Net cash provided (used) by investing activities	<u>16,190</u>

**NET INCREASE IN CASH**

12,896

**CASH, BEGINNING OF YEAR**42,877**CASH, END OF YEAR**\$ 55,773**SUPPLEMENTAL DISCLOSURES**

Interest paid	<u>\$ 133</u>
Income taxes paid	<u>\$ 0</u>

**YELLOW SPRINGS SENIOR CITIZENS, INC.**  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

Note 1

**NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

Yellow Springs Senior Citizens, Inc. (the Center) is a nonprofit corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code formed in 1968. Its mission is to enhance the dignity, independence and quality of life for seniors in Yellow Springs and Miami Township and to foster interaction among them and with the total community. The Center provides health programs, transportation, homemaker services, meals, volunteer opportunities, information, referral, social programs and a meeting place.

**Significant Accounting Policies**

This summary of significant accounting policies is presented to assist in understanding the Center's financial statements. The financial statements and notes are representations of the Center's management who is responsible for their integrity and objectivity. These accounting policies have been consistently applied in the preparation of the financial statements.

**Basis of Accounting**

The Agency's policy is to prepare its financial statements on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Center considers all highly liquid debt instruments with initial maturities of three months or less to be cash equivalents.

**Investments**

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. Short-term investments consist of debt securities with original maturities of twelve months or less. Long-term investments consist of debt securities with original maturities greater than twelve months.

**Estimates**

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**Financial Statement Presentation**

The Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

**Property and Equipment**

Property and equipment are stated at cost. Generally, expenditures for property and equipment in excess of \$500 are capitalized. Depreciation is calculated on the straight-line method over the estimated useful lives of the respective classes of assets. Repair expenditures are charged to operations when incurred. Depreciation expense for the year ended December 31, 2021 was \$21,264.

**YELLOW SPRINGS SENIOR CITIZENS, INC.**  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2021

Note 1

**NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Income Taxes**

The Center is a not for profit organization that is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The federal income tax returns of the Company for 2021, 2020, and 2019 are subject to examination by the IRS, generally for three years after they were filed

**Contributions**

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions.

**Contributed Services**

No amounts have been reflected in the financial statements for donated services. The Center generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Center for the benefits of its members, but these services do not meet the criteria for recognition as contributed services.

**Advertising**

Advertising costs, which are principally included in operating expenses, are expensed as incurred. Advertising expense was \$1,997 for the year ended December 31, 2021.

**Functional Allocation of Expenses**

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Date of Management's Review**

Management has evaluated subsequent events through November 4, 2022, the date on which the financial statements were available to be issued.

Note 2

**INVESTMENTS**

Investments are stated at fair value and consist of exchange traded and closed end funds, and mutual funds invested in debt and equity securities. Fair values and unrealized depreciation at December 31, 2021 are summarized as follows:

	<u>Cost</u>	<u>Fair Value</u>	<u>Gross Unrealized Appreciation (Depreciation)</u>
Ready Assets-Prime Money Funds	\$ 686	\$ 686	\$ 0
Exchange traded and closed end funds	38,983	47,630	8,647
Mutual funds	<u>28,203</u>	<u>29,932</u>	<u>1,729</u>
Total	<u>\$ 67,872</u>	<u>\$ 78,248</u>	<u>\$ 10,376</u>

**YELLOW SPRINGS SENIOR CITIZENS, INC.**  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2021

Note 2 **INVESTMENTS (CONTINUED)**

The following schedule summarizes the investment return for the year ended December 31, 2021:

Dividend and interest income	\$ 2,373
Net realized and unrealized gains (losses)	<u>8,744</u>
Total investment return	<u>\$ 11,117</u>

Note 3 **ENDOWMENTS**

The Board of Trustees transferred assets to The Yellow Springs Community Foundation to set up an endowment fund for the Center's benefit. Variance power was given to the Yellow Springs Community Foundation. Income earned on the endowment at the Yellow Springs Community Foundation is used by the Center for its general operations. In 2021, \$3,600 in donations was added to the endowment fund at the Yellow Springs Community Foundation.

Endowments as of December 31, 2021, are summarized as follows:

Net assets with donor restrictions	
Yellow Springs Community Foundation	\$ 372,449
Springfield Foundation	<u>17,553</u>
	<u>\$ 390,002</u>

The following schedule summarizes the investment return on the endowment fund and its classification in the statement of revenues and expenses for the year ended December 31, 2021.

Net assets with donor restrictions:	
Investment income	\$ 6,466
Gain on sale of investments	27,896
Unrealized gains (losses)	<u>15,061</u>
Total investment return	<u>\$ 49,423</u>

Note 4 **FAIR VALUE MEASUREMENTS**

Fair value of assets measured on a recurring basis at December 31, 2021, are as follows:

**Fair Value Measurements at Reporting Date Using**

<u>December 31, 2021</u>	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>
Ready Assets – Prime Money funds	\$ 686	\$ 686
Exchanged traded and closed end funds	47,630	47,630
Mutual funds	<u>29,932</u>	<u>29,932</u>
Total	<u>\$ 78,248</u>	<u>\$ 78,248</u>

**YELLOW SPRINGS SENIOR CITIZENS, INC.**

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

Note 4 **FAIR VALUE MEASUREMENTS (CONTINUED)**

Fair values for exchange traded and closed end funds, mutual funds and equities are determined by reference to quoted market prices and other relevant information generated by market transactions.

Note 5 **RESIDENTIAL RENTAL ACTIVITIES**

Yellow Springs Senior Citizens, Inc. rents residential apartments that are located on the second floor of its facilities. The property is not debt financed. Revenue is excluded from unrelated business income tax under Section 512(b) 1(c) (ii) (a) of the Internal Revenue Code. The activity is reported at its net amount on the December 31, 2021 Statement of Activities. The following is a schedule of actual revenue and expenses for the rental activity for the year ended December 31, 2021.

Rental income	<u>\$ 14,832</u>
Rental expense	
Management fee	1,824
Utilities	842
Depreciation	1,737
Taxes	<u>4,032</u>
Total rental expense	<u>8,435</u>
Net rental income	<u>\$ 6,397</u>

Note 6 **LIQUIDITY AND FUNDS AVAILABLE**

The following reflects the Center's financial assets as of December 31, 2021, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

Financial Assets:	
Cash and cash equivalents	\$ 55,773
Investments	78,248
Accounts receivable	<u>10,621</u>
Financial assets at December 31, 2021	<u>144,642</u>
Less those unavailable for general expenditures within one year, due to:	
Contractual or donor-imposed restrictions	<u>0</u>
Financial assets available to meet cash needs for general expenditures within one year, before board designations	144,642
Less board designations:	
Reserves for operations	<u>0</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 144,642</u>

**YELLOW SPRINGS SENIOR CITIZENS, INC.**  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

Note 7

**FASB ASC 606 NEW ACCOUNTING GUIDANCE IMPLEMENTATION**

The Financial Accounting Standards Board (FASB) issued new guidance that created Topic 606, *Revenue from Contracts with Customers*, in the Accounting Standards Codification (ASC). Topic 606 supersedes the revenue recognition requirements in FASB ASC 605, *Revenue Recognition*, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The new guidance also added Subtopic 340-40, *Other Assets and Deferred Costs—Contracts with Customers*, to the ASC to require the deferral of incremental costs of obtaining a contract with a customer. Collectively, we refer to the new Topic 606 and Subtopic 340-40 as the "new guidance."

We adopted the requirements of the new guidance as of January 1, 2020 utilizing the full retrospective method of transition. Adoption of the new guidance resulted in changes to our accounting policies for revenue and cost recognition, previously described.

The difference to revenue and cost recognition-related account balances at December 31, 2020, under the new guidance as opposed to the prior revenue recognition guidance for contracts in progress were determined to be immaterial. Accordingly, no adjustment to beginning retained earnings was necessary.