

PORTING SENIOR CENTER ORGANIZATION

Financial Statements

For the Year Ended December 31, 2022

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Orting Senior Center Organization
Orting, Washington

We have reviewed the accompanying financial statements of Orting Senior Center Organization (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statement of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Orting Senior Center Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

The Sheriff CPA Services, LLC

Certified Public Accountants
May 24, 2023

ORTING SENIOR CENTER ORGANIZATION

Statement of Financial Position
December 31, 2022

Assets

Current Assets:

Cash and Cash Equivalents	\$	95,197
Grants Receivable		<u>7,928</u>

Total Current Assets **103,125**

Property and Equipment, net 292,365

Total Assets **\$ 395,490**

Liabilities and Net Assets

Current Liabilities:

Payroll Liabilities	\$	<u>3,898</u>
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Total Current Liabilities **3,898**

Total Liabilities **3,898**

Net Assets:

Total net assets without donor restrictions		332,397
Total net assets with donor restrictions		<u>59,195</u>

Total Net Assets **391,592**

Total Liabilities and Net Assets **\$ 395,490**

See accompanying notes.

ORTING SENIOR CENTER ORGANIZATION

Statement of Activities
December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
	<u> </u>	<u> </u>	<u> </u>
Revenues and Support:			
Contributions	\$ 60,506	\$ 37,870	\$ 98,376
Grant Income	168,362		168,362
Program Service Income	30,248		30,248
In-Kind Donations	61,019		61,019
Miscellaneous	213		213
	<u>320,348</u>	<u>37,870</u>	<u>358,218</u>
Net assets released from restrictions	7,649	(7,649)	-
Total Revenues and Support	327,997	30,221	358,218
Expenses:			
Program Services	233,420		233,420
Management and General	29,870		29,870
Fundraising	8,626		8,626
Total Expenses	271,916	-	271,916
Change in Net Assets	56,081	30,221	86,302
Net Assets, beginning of year	<u>276,316</u>	<u>28,974</u>	<u>305,290</u>
Net Assets, End of Year	<u>\$ 332,397</u>	<u>\$ 59,195</u>	<u>\$ 391,592</u>

See accompanying notes.

ORTING SENIOR CENTER ORGANIZATION

Statement of Functional Expenses
December 31, 2022

	Program	Management and General	Fundraising	Total
Personnel:				
Salaries and Wages	\$ 140,145	\$ -	\$ -	\$ 140,145
Paryoll Taxes	14,685	-	-	14,685
Total Personnel	154,830	-	-	154,830
Other Expenses:				
Maintenance/Repairs	-	720	-	720
Office Supplies	-	4,431	-	4,431
Utilities	-	12,818	-	12,818
Advertising & Promotion	1,283	-	-	1,283
Professional Services	2,280	1,205	-	3,485
Food Bank	6,809	-	-	6,809
Mealsite Expense	40,759	-	-	40,759
Party Supplies	4,704	-	-	4,704
Occupancey	-	4,080	-	4,080
SAIL	2,385	-	-	2,385
Transportation	298	-	-	298
Senior Services	11,053	-	-	11,053
In-Kind Food Donations	9,019	-	-	9,019
Fundraisng Expenses	-	-	8,626	8,626
Depreciation Expense	-	4,569	-	4,569
Other Expenses	-	2,046	-	2,046
Total Other Expenses	78,590	29,870	8,626	117,086
Total Expenses	\$ 233,420	\$ 29,870	\$ 8,626	\$ 271,916

See accompanying notes.

ORTING SENIOR CENTER ORGANIZATION

Statement of Cash Flows

December 31, 2022

Cash Flows from Operating Activities		
Net Income	\$	86,302
Adjustments to reconcile change in net income to net cash provided by operating activities-		
Depreciation		4,569
(Increase) decrease in:		
Grant Receivable		3,763
(Increase) decrease in:		
Payroll Liabilities		64
		<hr/>
Net Cash Provided by Operating Activities		94,699
Cash Flows from Investing Activities		
Purchases of property, plant, and equipment		(24,481)
Contribution of Land		(52,000)
		<hr/>
Net Cash Used by Investing Activities		(76,481)
Cash Flows from Financing Activities		
Net Cash Provided by Financing Activities		<hr/> -
Net Change in Cash and Cash Equivalents		<hr/> 18,218
Cash and Cash Equivalents, beginning of year		<hr/> 76,979
Cash and Cash Equivalents, End of Year	\$	<u>95,197</u>
Supplemental Cash Flow Information		
Noncash investing and financing activity		(52,000)

See accompanying notes.

Note 1 – Summary of Significant Accounting Policies

Nature of Operations - Orting Senior Center Organization (OSC) is a not-for-profit organization whose purpose is to develop and maintain an active senior program in the Orting, Washington area that creates a welcoming atmosphere, provides opportunities, and encourages older adults to use their skills, develop their potential and continue their involvement in the community. To promote independent living for seniors to maintain their visibility within the community.

Basis of Accounting – The financial statements of OSC have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Basis of Presentation – Net assets, revenue, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of OSC and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to or are no longer subject to donor-imposed restrictions.

Net Assets with Donor Restrictions – Net assets whose use is limited by donor-imposed and/or purpose restrictions.

Revenue is reported as an increase in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on net assets are reported as transfers between the applicable classes of net assets. Revenues with donor-imposed restrictions that are met in the same reporting period are classified as increases in net assets without donor restrictions.

Estimates - Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses, including functional allocations. Actual results could differ from those estimates.

Cash and Cash Equivalents - For purposes of the statement of cash flows, all highly liquid investments available for current use with an initial maturity of three months or less are considered to be cash equivalents. Cash and cash equivalents at times may exceed federally insured limits.

Grants Receivable - Grants receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances still outstanding after management has used reasonable collection efforts are written-

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Notes to Financial Statements For the Year Ended December 31, 2022

off through a charge to the valuation allowance and a credit to grants receivable. As of December 31, 2022, management believed the grants receivable were fully collectible and, therefore, did not record an allowance for uncollectible grants receivable.

Property, Plant and Equipment - Assets are recorded at cost or at fair value assigned when received as gifts, net of accumulated depreciation. OSC capitalizes expenditures greater than \$1,000 with a useful life greater than one year, per management policy, as well as all expenditures for repairs, maintenance and renewals that materially prolong the useful lives of assets. The cost of general maintenance and repairs are charged to expense when incurred.

Depreciation of property and equipment is calculated using the straight-line method over the estimated useful lives of the assets as follows:

Buildings	40 years
Equipment	15 years

Revenue Recognition - Grants and contributions are recognized as revenue when the donor-imposed conditions, if any, have been met. The unrecognized amounts of these grants will be recognized as revenue in future periods when, and if, the related conditions are met. There were no unrecognized conditional grants at December 31, 2022.

Receivable and Revenue Concentration - OSC receives grants from local governments. For the year ended December 31, 2022, approximately 53% of total revenues was received from governmental sources and 100% of grants receivable is due from the same governmental sources.

In-Kind - OSC recognizes donated services and gifts in-kind at estimated fair values on the date of donation. Donated services received are recognized if they create or enhance nonfinancial assets, or require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not donated.

In-kind contributions consist primarily of donated program supplies for the year ended December 31, 2022, and are reflected in the statement of activities at their fair value. A substantial amount of services are provided through the utilization of community volunteers. Volunteers make significant contributions of time to carry out the programs and activities of OSC. Those services do not meet the criteria outlined by U.S. GAAP, and as such, have not been recorded in the accompanying financial statements.

Functional Expenses - Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on an equitable basis as determined by management. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of OSC.

Income Taxes - The Internal Revenue Service has determined that OSC is a not-for-profit organization and has been recognized as exempt from federal income taxes, except for unrelated business income,

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Notes to Financial Statements
For the Year Ended December 31, 2022

under Section 501(c)(3) of the Internal Revenue Code (IRC). Accordingly, no provision for federal income taxes has been made in the financial statements.

Subsequent Events - OSC has evaluated subsequent events through May 15, 2023, the date on which the financial statements were available to be issued.

Note 2 - Property, Plant and Equipment

Property and equipment (and their useful lives) consist of the following at December 31, 2022:

	Estimated Useful Lives	Value as of December 31, 2022
Buildings	40 years	\$ 177,300
Kitchen Equipment	15 years	\$ 24,481
		\$ 201,781
Less: accumulated depreciation		\$ 6,416
Land		\$ 97,000
		\$ 292,365

Depreciation expense for the year ended December 31, 2022 was \$4,569.

Note 3 - Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes at December 31, 2022:

Building Fund	\$59,195
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Note 4 – Liquidity and Availability of Resources

As part of OSC's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

At December 31, 2022, OSC had \$103,125 of financial assets available within one year of the date of the statement of financial position to meet cash needs for general expenditure consisting of cash and cash equivalents of \$95,197 and grants receivable of \$7,928.