

**CASTLE ROCK SENIOR CENTER, INC.
SENIOR CITIZENS FOUNDATION, INC.**

CONSOLIDATED FINANCIAL STATEMENTS

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DECEMBER 31, 2022 & 2021

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C P A s , P . C .

Member, AICPA and Colorado Society of CPAs

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Castle Rock Senior Center, Inc.
Castle Rock, Colorado

Opinion

We have audited the accompanying consolidated financial statements of Castle Rock Senior Center, Inc. (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated statements of activity and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Castle Rock Senior Center, Inc. as of December 31, 2022 and the changes in its net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Castle Rock Senior Center, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 these 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 Castle Rock Senior Center's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

Davin + Co., CPAs, P.C.

Highlands Ranch, Colorado
June 15, 2023

**CASTLE ROCK SENIOR CENTER, INC.
SENIOR CITIZENS FOUNDATION, INC.**
Consolidated Statement of Financial Position
December 31, 2022

	<u>Center</u>	<u>Foundation</u>	<u>Total</u>
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 411,707	\$ --	\$ 411,707
Marketable securities	287,469	453,557	741,026
Grants & accounts receivable	47,964	--	47,964
Prepaid expenses & other	34,690	--	34,690
	<u>781,830</u>	<u>453,557</u>	<u>1,235,387</u>
 Board designated endowment	 --	 24,196	 24,196
 Property and Equipment			
Furniture, equipment & improvements	87,416	--	87,416
Transportation vehicles	367,166	--	367,166
	<u>454,582</u>	--	<u>454,582</u>
Less: accumulated depreciation	<u>(360,271)</u>	--	<u>(360,271)</u>
	<u>94,311</u>	--	<u>94,311</u>
	<u>\$876,141</u>	<u>\$477,753</u>	<u>\$1,353,894</u>
 LIABILITIES AND NET ASSETS			
Current Liabilities			
Accrued expenses	\$ 11,105	\$ --	\$ 11,105
Deferred income	22,519	--	22,519
	<u>33,624</u>	--	<u>33,624</u>
 Net assets			
Without donor restrictions:			
Undesignated	473,290	--	473,290
Designated - building	--	453,557	453,557
Designated – fleet replacement	206,000	--	206,000
Designated - endowment	--	24,196	24,196
Designated – operating reserve	126,387	--	126,387
With donor restrictions	36,840	--	36,840
	<u>842,517</u>	<u>477,753</u>	<u>1,320,270</u>
	<u>\$876,141</u>	<u>\$477,753</u>	<u>\$1,353,894</u>

The accompanying notes are an integral part of these statements.

**CASTLE ROCK SENIOR CENTER, INC.
SENIOR CITIZENS FOUNDATION, INC.**
Consolidated Statement of Financial Position
December 31, 2021

	<u>Center</u>	<u>Foundation</u>	<u>Total</u>
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 294,060	\$ --	\$ 294,060
Marketable securities	296,070	535,956	832,026
Grants & accounts receivable	45,993	--	45,993
Prepaid expenses & other	<u>27,968</u>	<u>--</u>	<u>27,968</u>
	<u>664,091</u>	<u>535,956</u>	<u>1,200,047</u>
Board designated endowment	--	30,574	30,574
Property and Equipment			
Furniture, equipment & improvements	79,727	--	79,727
Transportation vehicles	<u>367,166</u>	<u>--</u>	<u>367,166</u>
	446,893	--	446,893
Less: accumulated depreciation	<u>(314,848)</u>	<u>--</u>	<u>(314,848)</u>
	<u>132,045</u>	<u>--</u>	<u>132,045</u>
	<u>\$796,136</u>	<u>\$566,530</u>	<u>\$1,362,666</u>
LIABILITIES AND NET ASSETS			
Current Liabilities			
Accrued expenses	\$ 14,218	\$ --	\$ 14,218
Deferred income	<u>16,659</u>	<u>--</u>	<u>16,659</u>
	<u>30,877</u>	<u>--</u>	<u>30,877</u>
Net assets			
Without donor restrictions:			
Undesignated	404,031	--	404,031
Designated - building	--	535,956	535,956
Designated -- fleet replacement	206,000	--	206,000
Designated - endowment	--	30,574	30,574
Designated -- operating reserve	126,387	--	126,387
With donor restrictions	<u>28,841</u>	<u>--</u>	<u>28,841</u>
	<u>765,259</u>	<u>566,530</u>	<u>1,331,789</u>
	<u>\$796,136</u>	<u>\$566,530</u>	<u>\$1,362,666</u>

The accompanying notes are an integral part of these statements.

**CASTLE ROCK SENIOR CENTER, INC.
SENIOR CITIZENS FOUNDATION, INC.**
Consolidated Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2022

	<u>Center</u>	<u>Foundation</u>	<u>Total</u>
Changes in net assets without restrictions:			
Support and revenue			
Government reimbursement contracts	\$ 444,569	\$ --	\$ 444,569
Grants & contributions	106,116	--	106,116
Special events & fundraising	145,866	--	145,866
In-kind donated use of space	81,887	--	81,887
Membership income	36,837	--	36,837
Activity fees & other income	86,379	--	86,379
Investment income	11,865	19,007	30,872
Unrealized losses	(70,235)	(105,669)	(175,904)
Net assets released from restrictions	<u>29,015</u>	<u>--</u>	<u>29,015</u>
Total unrestricted support and revenue	<u>872,299</u>	<u>(86,662)</u>	<u>785,637</u>
Functional expenses			
Program services	591,881	2,115	593,996
Supporting Services			
Management and general	121,806	--	121,806
Fundraising	<u>89,353</u>	<u>--</u>	<u>89,353</u>
Total expenses	<u>803,040</u>	<u>2,115</u>	<u>805,155</u>
Change in net assets without restrictions	69,259	(88,777)	(19,518)
Changes in net assets with donor restrictions:			
Restricted grants & donations	37,014	--	37,014
Net assets released from restrictions	<u>(29,015)</u>	<u>--</u>	<u>(29,015)</u>
Change in net assets with donor restrictions	7,999	--	7,999
Change in net assets, all categories	77,258	(88,777)	(11,519)
Net assets, beginning of year	<u>765,259</u>	<u>566,530</u>	<u>1,331,789</u>
Net assets, end of year	<u>\$842,517</u>	<u>\$477,753</u>	<u>\$1,320,270</u>

The accompanying notes are an integral part of these statements.

CASTLE ROCK SENIOR CENTER, INC.
SENIOR CITIZENS FOUNDATION, INC.
Consolidated Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2021

	<u>Center</u>	<u>Foundation</u>	<u>Total</u>
Changes in net assets without restrictions:			
Support and revenue			
Government reimbursement contracts	\$ 380,196	\$ --	\$ 380,196
Grants & contributions	96,510	26	96,536
Special events & fundraising	138,738	--	138,738
In-kind donated use of space	84,000	--	84,000
Membership income	29,844	--	29,844
Activity fees & other income	40,268	--	40,268
Investment income	15,143	27,360	42,503
Unrealized gains	16,665	49,658	66,323
Net assets released from restrictions	<u>17,672</u>	<u>--</u>	<u>17,672</u>
Total unrestricted support and revenue	<u>819,036</u>	<u>77,044</u>	<u>896,080</u>
Functional expenses			
Program services	471,154	1,984	473,138
Supporting Services			
Management and general	107,095	--	107,095
Fundraising	<u>80,290</u>	<u>--</u>	<u>80,290</u>
Total expenses	<u>658,539</u>	<u>1,984</u>	<u>660,523</u>
Change in net assets without restrictions	160,497	75,060	235,557
Changes in net assets with donor restrictions:			
Restricted grants & donations	22,320	--	22,320
Net assets released from restrictions	<u>(17,672)</u>	<u>--</u>	<u>(17,672)</u>
Change in net assets with donor restrictions	4,648	--	4,648
Change in net assets, all categories	165,145	75,060	240,205
Net assets, beginning of year	<u>600,114</u>	<u>491,470</u>	<u>1,091,584</u>
Net assets, end of year	<u>\$765,259</u>	<u>\$566,530</u>	<u>\$1,331,789</u>

The accompanying notes are an integral part of these statements.

CASTLE ROCK SENIOR CENTER, INC.
SENIOR CITIZENS FOUNDATION, INC.
Consolidated Statement of Functional Expenses
For the Year Ended December 31, 2022

	Program Services			Supporting Services		
	Center	Foundation	Total	General & Admin	Fundraising	Total
Personnel expenses	\$ 262,094	\$ --	\$ 262,094	\$ 74,884	\$ 37,442	\$ 374,420
Seniors' activities & wellness	102,224	--	102,224	--	--	102,224
Occupancy costs (including in-kind)	57,936	--	57,936	16,552	8,276	82,764
Professional fees & services	29,457	2,115	31,572	8,414	4,207	44,193
Transportation expenses	38,494	--	38,494	--	--	38,494
Fundraising expenses	--	--	--	--	35,924	35,924
Insurance	24,723	--	24,723	10,596	--	35,319
Office supplies & expenses	10,861	--	10,861	3,102	1,551	15,514
Volunteer appreciation	9,181	--	9,181	--	--	9,181
Community outreach	8,945	--	8,945	--	--	8,945
Meetings & conferences	--	--	--	3,284	--	3,284
Telecommunications	3,710	--	3,710	1,060	530	5,300
Postage and delivery	2,920	--	2,920	834	417	4,171
Sub-total before depreciation	550,565	2,115	552,680	118,726	88,327	759,733
Depreciation	41,316	--	41,316	3,080	1,026	45,422
Total	\$591,881	\$2,115	\$593,996	\$121,806	\$89,353	\$805,155

The accompanying notes are an integral part of these statements.

**CASTLE ROCK SENIOR CENTER, INC.
SENIOR CITIZENS FOUNDATION, INC.**
Consolidated Statement of Functional Expenses
For the Year Ended December 31, 2021

	Program Services			Supporting Services		
	Center	Foundation	Total	General & Admin	Fundraising	Total
Personnel expenses	\$ 220,616	\$ --	\$ 220,616	\$ 63,032	\$ 31,516	\$ 315,164
Seniors' activities & wellness	55,216	--	55,216	--	--	55,216
Occupancy costs (including in-kind)	59,349	--	59,349	16,944	8,472	84,765
Professional fees & services	24,934	1,984	26,918	7,149	3,575	37,642
Transportation expenses	19,966	--	19,966	--	--	19,966
Fundraising expenses	--	--	--	--	33,040	33,040
Insurance	19,739	--	19,739	8,460	--	28,199
Office supplies & expenses	10,370	--	10,370	2,962	1,481	14,813
Volunteer appreciation	4,070	--	4,070	--	--	4,070
Community outreach	3,799	--	3,799	--	--	3,799
Meetings & conferences	--	--	--	3,003	--	3,003
Telecommunications	2,356	--	2,356	672	336	3,364
Postage and delivery	5,160	--	5,160	1,474	737	7,371
Sub-total before depreciation	425,575	1,984	427,559	103,696	79,157	610,412
Depreciation	45,579	--	45,579	3,399	1,133	50,111
Total	\$471,154	\$1,984	\$473,138	\$107,095	\$80,290	\$660,523

The accompanying notes are an integral part of these statements.

**CASTLE ROCK SENIOR CENTER, INC.
SENIOR CITIZENS FOUNDATION, INC.**
Consolidated Statement of Cash Flows
For the Year Ended December 31, 2022

	<u>Center</u>	<u>Foundation</u>	<u>Total</u>
CASH FLOW FROM OPERATING ACTIVITIES:			
Change in net assets	\$ 77,258	\$ (88,777)	\$ (11,519)
Adjustments to reconcile to net cash provided by operating activities:			
Depreciation	45,422	--	45,422
Unrealized losses	70,235	105,669	175,904
Changes in operating assets and liabilities:			
(Increase) in grants & accounts receivable	(1,971)	--	(1,971)
(Increase) in prepaid expenses & other	(6,722)	--	(6,722)
(Decrease) in accrued expenses	(3,113)	--	(3,113)
Increase in deferred income	<u>5,860</u>	<u>--</u>	<u>5,860</u>
Net cash flow from operating activities	<u>186,969</u>	<u>16,892</u>	<u>203,861</u>
Cash flow from investing activities:			
Change in board designated endowment	--	6,378	6,378
Purchases (net) of marketable securities	(50,000)	(2,221)	(52,221)
Re-investment into marketable securities, net of fees	(11,633)	(21,049)	(32,682)
Fixed asset additions	<u>(7,689)</u>	<u>--</u>	<u>(7,689)</u>
	<u>(69,322)</u>	<u>(16,892)</u>	<u>(86,214)</u>
CHANGE IN CASH AND CASH EQUIVALENTS	117,647	--	117,647
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>294,060</u>	<u>--</u>	<u>294,060</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$411,707</u>	<u>\$ --</u>	<u>\$411,707</u>
Supplemental disclosure of cash flow information:			
Interest & dividend income – cash basis	<u>\$12,932</u>	<u>\$17,940</u>	<u>\$30,872</u>

The accompanying notes are an integral part of these statements

**CASTLE ROCK SENIOR CENTER, INC.
SENIOR CITIZENS FOUNDATION, INC.**
Consolidated Statement of Cash Flows
For the Year Ended December 31, 2021

	<u>Center</u>	<u>Foundation</u>	<u>Total</u>
CASH FLOW FROM OPERATING ACTIVITIES:			
Change in net assets	\$ 165,145	\$ 75,060	\$ 240,205
Adjustments to reconcile to net cash provided by operating activities:			
Depreciation	50,111	--	50,111
Unrealized gains	(16,665)	(49,658)	(66,323)
Changes in operating assets and liabilities:			
(Increase) in grants & accounts receivable	(18,708)	--	(18,708)
(Increase) in prepaid expenses & other	(3,515)	--	(3,515)
Increase in accrued expenses	5,830	--	5,830
Increase in deferred income	<u>3,489</u>	<u>--</u>	<u>3,489</u>
Net cash flow from operating activities	<u>185,687</u>	<u>25,402</u>	<u>211,089</u>
Cash flow from investing activities:			
Change in board designated endowment	--	(1,520)	(1,520)
Purchases (net) of marketable securities	(65,067)	1,067	(64,000)
Re-investment into marketable securities, net of fees	(14,069)	(24,949)	(39,018)
Fixed asset additions	<u>(82,780)</u>	<u>--</u>	<u>(82,780)</u>
	<u>(161,916)</u>	<u>(25,402)</u>	<u>(187,318)</u>
CHANGE IN CASH AND CASH EQUIVALENTS	23,771	--	23,771
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>270,289</u>	<u>--</u>	<u>270,289</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$294,060</u>	<u>\$ --</u>	<u>\$294,060</u>
Supplemental disclosure of cash flow information:			
Interest & dividend income – cash basis	<u>\$12,859</u>	<u>\$25,840</u>	<u>\$38,699</u>

The accompanying notes are an integral part of these statements.

**CASTLE ROCK SENIOR CENTER, INC.
SENIOR CITIZENS FOUNDATION, INC.**
Notes to Consolidated Financial Statements
December 31, 2022

Note 1: Organization background and Summary of Significant Accounting Policies
Significant accounting policies are as follows:

a. Organization background

Castle Rock Senior Center, Inc. (the "Center") was established as a not-for-profit corporation in 1993 under the laws of the State of Colorado. The Center's mission is to provide educational, social, and recreational programs and transportation services to both senior and disabled citizens within Douglas County Colorado and its adjacent areas.

The financial statements herein include the account balances and activities of Senior Citizens Foundation, Inc. (the "Foundation"), which was incorporated as a not-for-profit corporation under the laws of the State of Colorado in 2000. The foundation is under common control with the Center. The Foundation's purpose is to promote and support the public welfare by managing investment funds to be used for the benefit of the Center.

The Center relies on government reimbursement contracts, user fees and fundraising to carry out its programs.

b. Financial statement presentation

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (USGAAP). Net assets, support and revenues are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and the changes therein are classified as follows:

Without restrictions - Resources not subject to donor-imposed restrictions.

With donor restrictions - Resources subject to donor-imposed restrictions that will be satisfied either by actions of the Center or the passage of time.

The financial statements include the accounts of Senior Citizens Foundation, Inc., a controlled related entity. All significant balances and transactions between the two entities have been eliminated.

c. Cash and cash equivalents

The Center and Foundation consider all demand deposits, savings accounts, and time deposit accounts with a pending maturity of six months or less to be cash equivalents provided they are not legally restricted as to timely withdrawal. See Note 2 regarding concentrations of credit risk from cash and cash equivalents. (Continued)

**CASTLE ROCK SENIOR CENTER, INC.
SENIOR CITIZENS FOUNDATION, INC.**
Notes to Consolidated Financial Statements
December 31, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

d. Property and equipment

The Center follows the practice of capitalizing all expenditures for furnishings, fixtures, equipment, transportation vehicles and leasehold improvements in excess of \$750. Repairs and other renewals of items are charged to expense. Depreciation of items is provided using the straight-line basis and estimated useful lives ranging from five to fifteen years. When items are disposed of the related cost and accumulated depreciation are eliminated from the accounts and a loss (if any) as operating expense.

e. Revenue recognition

All contributions, including membership income, are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor either for future periods or specific program purposes are reported as support that increases "net assets with donor restrictions". When a donor restriction is satisfied, "net assets with donor restrictions" are reclassified to "net assets without restrictions" and reported in the statement of activities as "net assets released from restrictions". When a donor restriction is satisfied in the same time period in which the contribution is received, the Center reports the support as without restrictions.

Contract service and activity fees are recorded as revenue in the period earned by the Organization's performance of its underlying contractual obligations. Revenue is reported at the amount of consideration expected to be received in exchange for providing these services. Funds received in advance of being earned are recorded as deferred revenue, a liability.

f. In kind donated services and use of space

The Center records all donations of services which are significant, require technical expertise, and would have been purchased if not received via donation. There were no contributions meeting these criteria during 2022. Although significant and a necessary part of carrying out its mission, the 21,844 hours of non-technical services received from volunteers during 2022, valued at \$425,958, do not meet the criteria to be recorded herein.

Pursuant to a shared facilities agreement entered into with the Town of Castle Rock on January 1, 2004, the Center receives free use of its program and office space. The estimated value of this space, amounting to \$81,887 in 2022, is recorded herein as the primary component of occupancy costs.

(Continued)

CASTLE ROCK SENIOR CENTER, INC.
SENIOR CITIZENS FOUNDATION, INC.
Notes to Consolidated Financial Statements
December 31, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

g. Grants and accounts receivable

Receivables consist primarily of government reimbursements from historically known sources and are recorded at their face values. Based on historical experience, management expects to collect all balances and does not maintain a reserve for bad debts. When applicable, items deemed to be uncollectible are directly written off to bad debt expense.

h. Estimates

The preparation of financial statements in conformity with USGAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

i. Functional expenses

Expenses which benefit a specific program or supporting service area are directly charged to such area. When an expense benefits more than one area it is allocated based on management's estimate of the staff time expended.

j. Subsequent events

The Center and Foundation have evaluated subsequent events through June 15, 2023, the date the auditor's opinion on these financial statements was available to be released.

k. Tax status

The Center and Foundation are both exempt from federal and state income taxes under IRC Section 501(c)(3) and have no revenue items which require treatment as unrelated business income. Management believes both entities have complied in a timely manner with all requirements necessary to maintaining their tax-exempt status.

Note 2: Concentrations of Credit Risk

USGAAP requires disclosure of significant concentrations of credit risk regardless of the degree of such risk. As of December 31, 2022 the financial instruments that potentially expose the Center and Foundation to credit risk consist of cash and cash equivalents and marketable securities. Both entities place their temporary cash investments and marketable securities with high credit quality financial institutions and limit their amount of credit exposure to any one financial institution.

(Continued)

**CASTLE ROCK SENIOR CENTER, INC.
SENIOR CITIZENS FOUNDATION, INC.**
Notes to Consolidated Financial Statements
December 31, 2022

Note 3: Marketable Securities

Marketable securities with an original cost basis of \$217,839 (Center) and \$403,216 (Foundation) at December 31, 2022, are all classified as Level 1 for valuation inputs in accordance with the USGAAP valuation hierarchy, due to the availability of daily quoted market values for recording purposes. The fair market values for each entity at December 31, 2022 were as follows:

<u>Type of investment</u>	<u>Center</u>	<u>Foundation</u>
Mutual funds - income	\$ 159,547	\$ 199,881
Mutual funds - equities	127,922	253,676
Money market funds/other	--	--
	<u>\$287,469</u>	<u>\$453,557</u>

During 2022 the securities (combined) had re-invested dividends and capital gains of \$34,904 and an unrealized loss of \$175,904. There was also an additional investment of \$50,000 in reserve funds by the Center during 2022.

Note 4: Designations of Net Assets Without Restrictions

The Foundation's Board of Directors has fully designated the \$477,753 total of net assets without restrictions into two components as of December 31, 2022.

The first, amounting to \$453,557, is to be used towards either purchasing or constructing a building to be a future permanent location of Castle Rock Senior Center. The second is a Board designated endowment, originally established at a community foundation during 2015, which is to be used to provide funds for the future operations of the Center. The designated amount is the fair market value of the fund's beneficial interest in the net assets of the community foundation, which was \$24,196 at December 31, 2022. (See Note 5)

The Center's Board of Directors has designated a total of \$332,387 of the Center's net assets without restrictions at December 31, 2022 into two components. The first, amounting to \$126,387, is to be used as an operations reserve for future activities. The second, amounting to \$206,000, is to be used as a capital reserve for the replacement of vehicles in the transportation services fleet.

Note 5: Board Designated Endowment Fund

The Foundation's "Endowment Fund" consists of funds designated by the Board of Directors. As required by USGAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to

(Continued)

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Note 5: Board Designated Endowment Fund (continued)

function as endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions. As of December 31, 2022, there were no donor restricted funds in the Endowment. Since the full balance of the fund is internally designated funds, it is reported and classified herein as a component of net assets without restrictions. The Board has adopted a comprehensive investment policy for all investments, as required by the Uniform Prudent Management of Institutional Funds Act (UPMIFA).

The fund is a pooled investment fund managed by a local community foundation. Based on the underlying agreement, up to 4% of the fund's net asset value, based on a rolling three year average, may be disbursed annually to the Center (named beneficiary) for annual operating needs.

During the year ended December 31, 2022 activity in endowment fund was as follows:

<u>Description</u>	<u>Without restrictions</u>	<u>With donor restrictions</u>	<u>Permanently restricted</u>	<u>Total - all classes</u>
Balance – December 31, 2021	\$ 30,574	\$ --	\$ --	\$ 30,574
Unrealized market loss	(5,632)			(5,632)
Investment returns:				
- Investment income	675			675
- Management fees	(265)			(265)
Authorized transfer for operations	<u>(1,154)</u>	<u>--</u>	<u>--</u>	<u>(1,154)</u>
Balance – December 31, 2022	<u>\$24,196</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$24,196</u>

Note 6: Impact of COVID-19 Pandemic

During the first two quarters of the Center's fiscal year ending December 30, 2021, the COVID-19 pandemic continued to impact the Center's ability to conduct in person programs and activities with its members on-site. Fortunately, emergency resources were available from several sources and certain key donors to the Center allowed for their funding to be re-directed to areas of need. The Center was able to continue to provide crucial services needed by its members, most important being transportation services in order to get members to necessary appointments and delivering them food and supply care packages, disinfecting supplies and prescriptions. The Center also saw a decline in membership during 2021.

During 2022 on-site operations returned to normal and the membership numbers started growing again. By the end of the year, membership numbers were almost back to pre-Covid levels.

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Note 6: Net Assets with Donor Restrictions

The Center's activity relative to net assets with donor restrictions during the year ended December 31, 2022 was as follows:

<u>Item & purpose</u>	<u>Balance at Dec 30, 2021</u>	<u>Restricted Revenues</u>		<u>Expenditures Satisfying Restriction</u>	<u>Balance at Dec 31, 2022</u>
		<u>Grants and Con- tributions</u>	<u>Invest- ment Income</u>		
Community Garden	\$ 3,539	\$ --	\$ --	\$ (36)	\$ 3,503
Activities	3,796	17,285	--	(16,624)	4,457
Grant for program scholarships	2,895	6,285	--	(2,895)	6,285
Foundation grant for 2023	--	9,500	--	--	9,500
Grants/donations for wellness programs	<u>18,611</u>	<u>3,944</u>	<u>--</u>	<u>(9,460)</u>	<u>13,095</u>
	<u>\$28,841</u>	<u>\$37,014</u>	<u>\$ --</u>	<u>\$(29,015)</u>	<u>\$36,840</u>