
CURRY SENIOR CENTER
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

Tang & Lee, LLP

Certified Public Accountants

CURRY SENIOR CENTER

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Curry Senior Center
San Francisco, California

Opinion

We have audited the accompanying statement of financial position of Curry Senior Center (“CSC”) (“the Center”), a nonprofit organization, as of June 30, 2023, and the related statements of activities 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 financial position of Curry Senior Center as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance 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 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 Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Center 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 opinions.

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 the Center's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 and Government 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 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 and *Government 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 the 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 the 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2024, on our consideration of Curry Senior Center’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Other Matter – 2022 Financial Statements

The financial statements of Curry Senior Center as of and for the year ended June 30, 2022 were audited by another auditor who expressed an unmodified opinion on those statements.

The image shows a handwritten signature in black ink that reads "Tang & Lee, LLP". The signature is written in a cursive, slightly slanted style.

Burlingame, California

January 17, 2024

CURRY SENIOR CENTER

STATEMENT OF FINANCIAL POSITION

As June 30, 2023 and 2022

<u>Assets</u>		
	2023	2022
Current Assets		
Cash and cash equivalents	\$ 1,191,266	\$ 533,205
Accounts receivable	19,665	14,003
Grants and contracts receivable	1,184,980	786,076
Prepaid expenses and deposits	39,039	35,803
Total Current Assets	2,434,950	1,369,087
Noncurrent Assets		
Tenant security deposits	5,496	5,217
Operating reserve	64,562	63,544
Replacement reserve	131,697	126,822
Investments	621,428	594,288
Right of use assets	741,038	-
Property and equipment, net	3,425,608	2,485,603
Total Noncurrent Asset	4,989,829	3,275,474
Total Assets	\$ 7,424,779	\$ 4,644,561
<u>Liabilities and Net Assets</u>		
Current Liabilities		
Accounts payable	\$ 373,026	\$ 75,524
Accrued compensation	515,491	377,110
Lease liabilities - current portion	135,510	-
Mortgage payable - current portion	27,670	27,395
Total Current Liabilities	1,051,697	480,029
Long-term Liabilities		
Lease liabilities	605,528	-
Mortgage payable	1,626,623	1,154,293
Total Long-term Liabilities	2,232,151	1,154,293
Total Liabilities	3,283,848	1,634,322
Net Assets		
Without donor restrictions		
Designated for operations	1,053,958	935,983
Fixed assets	2,271,315	1,303,915
Total without donor restrictions	3,325,273	2,239,898
With donor restrictions		
Purpose restrictions	535,422	490,106
Perpetual in nature	280,236	280,235
Total with donor restrictions	815,658	770,341
Total net assets	4,140,931	3,010,239
Total Liabilities and Net Assets	\$ 7,424,779	\$ 4,644,561

The accompanying notes are an integral part of these financial statements.

CURRY SENIOR CENTER

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS For the Years Ended June 30, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating						
Support and Revenues						
Grants/Contracts	\$ 6,172,644		\$ 6,172,644	\$ 4,667,015	-	\$ 4,667,015
Contributions	420,000	\$ 1,063,730	1,483,730	222,025	\$ 335,333	557,358
Fundraising	269,724		269,724	130,056	-	130,056
Rental income	71,440		71,440	68,692	-	68,692
Free rent received	50,000		50,000	50,000	-	50,000
Other income	1,051		1,051	18,379	-	18,379
Restriction met and released	1,018,415	(1,018,415)	-	295,747	(295,747)	-
Total Support and Revenues	8,003,274	45,315	8,048,589	5,451,914	39,586	5,491,500
Expenses						
Program Services						
Case management services	366,591	-	366,591	345,518	-	345,518
Community services	885,704	-	885,704	709,134	-	709,134
Technology at home	372,129	-	372,129	353,484	-	353,484
Innovative food support	246,612	-	246,612	148,397	-	148,397
LGBTQ mental health	181,744	-	181,744	17,329	-	17,329
Behavioral health	1,059,073	-	1,059,073	936,342	-	936,342
Primary care	953,230	-	953,230	957,317	-	957,317
Housing-based supportive services	484,543	-	484,543	414,813	-	414,813
321 Turk Street Senior Housing	339,112	-	339,112	337,364	-	337,364
Other programs	906,592	-	906,592	457,154	-	457,154
Total Program Services Expenses	5,795,330	-	5,795,330	4,676,852	-	4,676,852
Supporting Services						
Management and general expenses	726,147	-	726,147	641,697	-	641,697
Fundraising	439,828	-	439,828	271,234	-	271,234
Total Supporting Services Expenses	1,165,975	-	1,165,975	912,931	-	912,931
Total Expenses	6,961,305	-	6,961,305	5,589,783	-	5,589,783
Increase (decrease) in net assets from operating activities	1,041,969	45,315	1,087,284	(137,869)	39,586	(98,283)
Nonoperating						
Other Revenue and (Expenses)						
Interest	21,694	-	21,694	152	-	152
Unrealized gain (loss) on investments	21,714	-	21,714	-	-	-
Total Other Revenue and (Expenses)	43,408	-	43,408	152	-	152
Increase (decrease) in net assets from operating activities	43,408	-	43,408	152	-	152
Changes in net assets	1,085,377	45,315	1,130,692	(137,717)	39,586	(98,131)
Net assets - Beginning of year	2,239,898	770,341	3,010,239	2,377,615	730,755	3,108,370
Net assets - End of year	<u>\$ 3,325,275</u>	<u>\$ 815,656</u>	<u>\$ 4,140,931</u>	<u>\$ 2,239,898</u>	<u>\$ 770,341</u>	<u>\$ 3,010,239</u>

The accompanying notes are an integral part of these financial statements.

CURRY SENIOR CENTER

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2023

	Case Management Services	Community Services	Technology at Home	Innovative Food Support	LGBTQ Mental Health	Behaviorial Health	Primary Care	Home-based Supportive Services	321 Turk Senior Housing	Other Programs	Total Program Services	Management and General	Fundraising	Grand Total
Expenses														
Salaries and wages	\$ 246,037	\$ 568,898	\$ 183,466	\$ 75,599	\$ 114,361	\$ 699,963	\$ 607,089	\$ 328,567	\$ 44,767	\$ 495,893	\$ 3,364,640	\$ 494,062	\$ 181,833	\$ 4,040,535
Payroll tax	19,827	43,622	14,545	6,057	8,829	55,227	48,523	26,349	3,462	39,136	265,577	32,180	14,436	312,193
Employee benefits	41,845	91,143	25,913	10,402	16,804	109,633	95,979	55,851	19,740	66,629	533,939	17,197	8,685	559,821
Retirement	11,572	25,460	8,489	3,535	5,153	32,233	28,319	14,749		22,841	152,351	14,822	4,130	171,303
Accounting and audit	-	-				-	-	-	6,905		6,905	35,600		42,505
Insurance	4,349	8,610	5,560	779	1,378	8,005	6,474	2,523	23,427	3,244	64,349		615	64,964
Maintenance and replacements	-	-				954		-	43,828		44,782			44,782
Occupancy expenses	18,547	78,701	23,120	13,985	8,488	73,311	99,905	6,750	85,381	22,978	431,166	6,620	8,380	446,166
Telephone and communications	3,142	7,379	5,426	1,056	3,549	15,702	12,816	5,650	9,328	5,359	69,407	1,451	4,157	75,015
Recruiting and training/travel	3,069	6,459	2,143	98	3,228	12,435	2,249	4,526		14,918	49,125	17,439	1,352	67,916
Miscellaneous expense	850	1,473	498		220	327	358	1,750	77	25,131	30,684	46,513		77,197
Office expenses, printing, and postage	3,836	10,163	9,910	2,906	2,995	13,745	8,945	8,497	7,958	6,704	75,659	3,325	1,110	80,094
Investment fee/Interest expense	-	-				-	-	-	3,078		3,078	13,932		17,010
Client assistance/program activities	20	19,598	16,040	39,745	12,678	8,703	2,000	26,656	1,048	97,476	223,964			223,964
Consultants/legal/outside service	5,187	8,559	75,269	92,450	2,539	12,203	9,880	2,675	39,739	102,713	351,214	38,236	24,742	414,192
Dues, membership & subscription	-	-				3,898	8,060	-			11,958	4,770		16,728
Tax & License	-	-				-	-	-	1,738		1,738			1,738
Fundraising expense	-	-				-	-	-			-		190,388	190,388
Equipment & building depreciation	8,310	15,639	1,750		1,522	12,734	22,633	-	48,636	3,570	114,794			114,794
Realized/unrealized loss on investment	-	-				-	-	-			-			-
Total	\$ 366,591	\$ 885,704	\$ 372,129	\$ 246,612	\$ 181,744	\$ 1,059,073	\$ 953,230	\$ 484,543	\$ 339,112	\$ 906,592	\$ 5,795,330	\$ 726,147	\$ 439,828	\$ 6,961,305

The accompanying notes are an integral part of these financial statements.

CURRY SENIOR CENTER

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2022

	Case Management Services	Community Services	Technology at Home	Innovative Food Support	LGBTQ Mental Health	Behaviorial Health	Primary Care	Home-based Supportive Services	321 Turk Senior Housing	Other Programs	Total Program Services	Management and General	Fundraising	Grand Total
Expenses														
Salaries and wages	\$ 226,704	\$ 453,514	\$ 188,273	\$ 55,236	\$ -	\$ 613,096	\$ 619,533	\$ 295,471	\$ 44,409	\$ 207,765	\$ 2,704,001	\$ 399,147	\$ 143,189	\$ 3,246,337
Payroll tax	18,105	33,720	14,928	4,425	-	48,870	49,166	22,774	3,510	16,644	212,142	32,443	11,523	256,108
Employee benefits	41,543	75,752	27,297	8,767	-	103,658	90,498	53,961	18,774	18,144	438,394	17,500	5,468	461,362
Retirement	7,046	13,123	5,810	1,722	-	19,021	19,136	8,864	-	6,478	81,200	12,627	4,485	98,312
Accounting and audit	-	-	-	-	-	-	-	-	6,905	-	6,905	29,600	-	36,505
Insurance	4,513	6,141	5,006	-	-	10,805	7,584	1,971	20,534	-	56,554	48	-	56,602
Maintenance and replacements	-	90	134	-	-	179	-	-	42,524	1,524	44,451	-	45	44,496
Occupancy expenses	25,135	59,370	13,695	-	-	68,646	95,147	-	88,812	3,175	353,980	4,531	3,949	362,460
Telephone and communications	2,191	3,271	8,102	-	-	12,755	10,718	5,772	9,765	1,300	53,874	2,217	1,189	57,280
Recruiting and training/travel	4,291	7,175	2,267	190	870	8,575	4,041	1,687	-	7,146	36,242	7,867	338	44,447
Miscellaneous expense	541	923	333	-	-	-	-	364	-	12,069	14,230	31,693	-	45,923
Office expenses, printing, and postage	2,431	3,337	1,745	-	-	9,683	10,625	2,932	5,864	133	36,750	-	122	36,872
Investment fee/Interest expense	-	-	-	-	-	-	0	-	3,351	-	3,351	3,734	-	7,085
Client assistance/program activities	181	31,206	10,416	27,036	16,459	7,494	2,342	14,176	1,892	107,528	218,730	-	-	218,730
Consultants/legal/outside service	3,700	6,938	73,447	51,021	-	10,559	16,724	6,841	40,173	75,248	284,651	57,655	50,082	392,388
Dues, membership & subscription	-	-	-	-	-	4,058	8,000	-	-	-	12,058	5,595	-	17,653
Tax & License	-	-	-	-	-	-	-	-	1,638	-	1,638	-	-	1,638
Fundraising expense	-	-	-	-	-	-	-	-	-	-	-	-	50,844	50,844
Equipment & building depreciation	9,137	14,574	2,031	-	-	18,943	23,803	-	49,213	-	117,701	503	-	118,204
Realized/unrealized loss on investment	-	-	-	-	-	-	-	-	-	-	-	36,537	-	36,537
Total	\$ 345,518	\$ 709,134	\$ 353,484	\$ 148,397	\$ 17,329	\$ 936,342	\$ 957,317	\$ 414,813	\$ 337,364	\$ 457,154	\$ 4,676,852	\$ 641,697	\$ 271,234	\$ 5,589,783

The accompanying notes are an integral part of these financial statements.

CURRY SENIOR CENTER

STATEMENT OF CASH FLOWS For the Years Ended June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Change in net assets	\$ 1,130,692	\$ (98,131)
Adjustments to reconcile change in net assets to Net cash provided by operating activities:		
Depreciation	114,794	118,204
(Increase) decrease in assets:		
Accounts receivable	(5,662)	66,876
Grant receivable	(398,904)	(59,644)
Prepaid expenses and deposits	(3,236)	(15,798)
Increase (decrease) in liabilities:		
Accounts payable	297,502	(30,593)
Accrued compensation	138,381	43,492
Net cash provided by operating activities	1,273,567	24,406
Cash flows from investing activities:		
Tenant security deposit	(279)	(705)
Operating reserve	(1,018)	(17,232)
Replacement reserve	(4,875)	(5,613)
Net proceeds from investment sales and investments	(27,140)	39,138
Investment in leasing property	(1,054,799)	-
Net cash provided (used) in investing activities	(1,088,111)	15,588
Cash flows from financing activities:		
Repayments for mortgage payable	472,605	(27,122)
Net cash provided (used) in financing activities	472,605	(27,122)
Net increase in cash and cash equivalents	658,061	12,872
Cash balance - Beginning of year	533,205	520,333
Cash balance - Ending of year	\$ 1,191,266	\$ 533,205
Supplemental disclosures of cash flow information:		
Cash paid for interest during the year	\$ 3,078	\$ 3,351

The accompanying notes are an integral part of these financial statements.

CURRY SENIOR CENTER
Notes to Financial Statements
For the Years Ended June 30, 2023 and 2022

NOTE 1 – ORGANIZATION AND PROGRAMS

Organization

Curry Senior Center (“CSC”) (“the Center”), is a nonprofit California corporation incorporated in 1973. The Center provides medical and social support to low-income and elderly residents of San Francisco.

Description of Programs

San Francisco Human Service Agency, Department of Disability and Aging Services

Six programs were funded in 2022-2023:

- Case Management Services – Provision of long-term and short-term case management which includes assessment, problem identification, care planning, care coordination, monitoring, and advocacy.
- Community Programs – Provision of recreation, socialization, health education, computer learning center, exercise, hot meals for isolated elderly with special programming in English-as-a-second language, citizenship classes with specialized services for Southeast Asian immigrants, developmentally disabled adults, and gay, lesbian, bisexual, and transgender-elders.
- Senior Vitality or Technology in the Home – provides computer tablets, access to the internet in the home, and health coaching with self-management of chronic health conditions. Added a new Tech Navigator providing drop-in and appointments for one-to-one tech help.
- Innovative Neighborhood Food Support is a new contract from the Human Services Agency to provide access to nutritious food in Civic Center neighborhoods of San Francisco.
- LGBTQ Mental Health Telehealth – new funding was received to create an innovative mental health program reaching out to isolated LGBTQ older adults. Includes the ability to access a tablet, training, and Wi-Fi at home enabling older adults to reach out to a mental health provider.
- Ambassador Program – new outreach program to connect with businesses, parks, and other entities who regularly serve older adults, becoming familiar with Curry’s program in order to refer elders for services.

San Francisco Department of Public Health, Community Behavioral Health Services (CBHS)

Six programs are funded:

- Outpatient Substance Use Disorder Treatment Services: Provision of individual counseling including telehealth. Slowly convening support groups for both men and women.
- Mental Health Program: Provision of mental health programming includes both in-person and remote or telehealth.
- Mental Health Homeless Case Management: Provision of outreach activities and case management to homeless seniors (55 and above) to obtain housing assistance, healthcare, and entitlements. It also provides in-home primary care to seniors residing in supportive housing projects that house formerly homeless seniors. Includes the support of a Navigator who assists in scheduling and maintaining appointments.
- Behavioral Health Services in Primary Care – The Mental Health Services Act funds outreach, primary care, case management, and behavioral health staff to work with seniors with mental health issues –

CURRY SENIOR CENTER
Notes to Financial Statements
For the Years Ended June 30, 2023 and 2022

NOTE 1 – ORGANIZATION AND PROGRAMS (Cont'd)

stabilizing their living situations. Includes the support of a Navigator who assists in scheduling and maintaining appointments.

- Social Isolation: The program hires peers to reach out and connect with socially isolated older adults, reducing their isolation and connecting them to services.
- Drop-In Center: This program provides low-threshold engagement opportunities to both isolated and homeless seniors.

San Francisco Department of Public Health (DPH)—Primary Care

This contract provides funding for staff and operations of the Curry Primary Medical Care Clinic including a Health Care for the Homeless grant from the San Francisco Community Clinic Consortium.

Permanent Supportive Housing for Previously Homeless Seniors

Thirteen (13) units of independent, permanent housing are provided to seniors who meet the eligibility requirements. Residents can access the full range of activities and services provided by the agency, including the congregate meal program held at the agency's 333 Turk St. site, as well as primary care, case management, substance abuse treatment, and community programs.

NOTE 2 – SUBCONTRACTS FOR SERVICES 2022-2023

- Housing Based Supportive Services. CSC provides case management supportive services to formerly homeless seniors at the Cadillac Hotel. CSC staff assumed responsibility for approximately 150 residents.
- Care Navigator. CSC continues its partnership with Shanti to provide care management for seniors who are isolated and without the support of a social network.
- Dream Keeper Initiative – CSC has received funding through the San Francisco Human Rights Commission's Dream Keeper program targeting outreach and support of the older African American population of the Tenderloin neighborhood.
- Vision Zero – CSC provides sidewalk and traffic safety training through a Vision Zero subcontract administered by the San Francisco Public Health Foundation.
- Catholic Charities – CSC joined a partnership with Catholic Charities to provide short-term rental subsidies for older adults at risk of eviction.
- Tech & Wellness Center – Curry has entered into an agreement to secure additional program space in partnership with the Tenderloin Neighborhood Development Corporation (TNDC). The new Tech and Wellness Center is slated to be opened in late 2023 at Turk and Larkin Streets in San Francisco.

CURRY SENIOR CENTER
Notes to Financial Statements
For the Years Ended June 30, 2023 and 2022

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Change in Accounting Principles

CSC adopted the new lease accounting standard of ASC 842 as of June 30, 2023. Under the standard, private companies and not-for-profit entities are required to capitalize most leases on the statement of financial position – reporting them as right-of-use (ROU) assets and lease liabilities. These changes will improve the transparency and comparability of financial statements.

Basis of Accounting

In accordance with Generally accepted accounting principles (GAAP), the financial statements have been prepared using the accrual basis method of accounting and net assets and changes therein are classified as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Center. These net assets may be used at the discretion of the Center’s management and the board of directors.

Net assets with donor restrictions: Net assets are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Center or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Revenue Recognition

In accordance with Generally accepted accounting principles (GAAP), CSC considers revenue realized or realizable and earned when there is persuasive evidence of an arrangement, delivery has occurred, the contribution is fixed or determinable, and collectability is reasonable certain.

Determining whether some or all of these criteria have been met involves assumptions and judgments that can have a significant impact on the timing and amount of revenue reported.

- **Grants** - Revenue from grants is recognized when the performance obligation is satisfied, that is, when the event or programming takes place. The transaction revenue is determined by the grantors. Amounts received in advance of an event or programming are initially recorded as deferred revenue on the statement of financial position.

CURRY SENIOR CENTER
Notes to Financial Statements
For the Years Ended June 30, 2023 and 2022

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

- ***Fundraising*** - CSC conducts fundraising events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event—the exchange component, and a portion represents a contribution. Unless a verifiable objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at fundraising is measured at the actual cost to CSC. The contribution component is the excess of the gross proceeds over the fair value of the direct donor benefit. The direct costs of the fundraising events, which ultimately benefit the donor rather than CSC, are recorded as costs of direct donor benefits in the statement of activities. The performance obligation is delivery of the event, which is usually accompanied by a presentation. Funds collected in advance of its delivery are initially recognized as deferred revenue and recognized as fundraising revenue after delivery of the event. CSC has determined that the inherent contribution of amounts received in advance are conditioned on the event taking place and are therefore treated as deferred revenue along with the exchange component.
- ***Contributions*** - Contributions are recognized when cash or other assets are received or promises to give are made. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the pending conditions are substantially met.
- ***Promises to Give*** - Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. 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 received. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending upon the nature of the restrictions. When a restriction expires, net assets with donor restrictions are released to and reclassified as net assets without donor restrictions.

Use of Estimates

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

Cash and Cash Equivalents

Cash and cash equivalents consist of cash, certificates of deposit and checking accounts with financial instruments. For purposes of the statement of cash flows, CSC considers all short-term investments with an original maturity of three months or less to be cash equivalents.

CURRY SENIOR CENTER
Notes to Financial Statements
For the Years Ended June 30, 2023 and 2022

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Concentration of Credit Risk

Financial instrument, which potentially subject CSC to concentration of credit risk, consists of cash and cash equivalents, and certificates of deposit. On June 30, 2023, CSC's total amount of \$1,387,225 was on deposit with financial institutions, of which, \$637,225 was uninsured and exceeded the federal deposit insurance limit of \$250,000 in four financial institutions. However, the management believed that the risk of default was minimal.

Receivables

The management believes that all receivables are collectible and therefore no allowance for doubtful accounts is made.

Fair Value of Financial Instruments

The Center's financial instruments include cash and cash equivalents, certificates of deposit, and investments in marketable securities. The carrying amounts of these items are a reasonable estimate of their fair value.

Generally accepted accounting principles (GAAP) provide guidance on how fair value should be determined when financial statement elements are required to be measured at fair value. Valuation techniques are ranked in three levels depending on the degree of objectivity of the inputs used with each level:

Level 1 inputs – quoted prices in active markets for identical assets

Level 2 inputs – quoted prices in active or inactive markets for the same or similar assets.

Level 3 inputs – estimates using the best information available when there is little or no market.

There were no changes in valuation techniques in the years ended June 30, 2023 and 2022.

The following table presents assets measured at fair value on a recurring basis at June 30, 2023:

Assets	<u>Total</u>	Fair Value Measurements at Report Date		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments:				
Mutual Funds	\$ 8,627	\$ 8,627		
ETF/Equities	612,801	612,801		
Total	<u>\$ 621,428</u>	<u>\$ 621,428</u>		

CURRY SENIOR CENTER
Notes to Financial Statements
For the Years Ended June 30, 2023 and 2022

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

The following table presents assets measured at fair value on a recurring basis at June 30, 2022:

Assets	<u>Total</u>	Fair Value Measurements at Report Date		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments:				
Mutual Funds	\$ 10,161	\$ 10,161		
ETF/Equities	584,127	584,127		
Total	\$ 594,288	\$ 594,288		

Leases

CSC determines if a contract contains a lease at its inception based on whether or not the Center has the right to control the asset during the contract period and other facts and circumstances. CSC is the lessee in a lease contract when obtaining the right to control the asset. Operating lease right-of-use (ROU) assets represent CSC's right to use an underlying asset for the lease term and are included in the line-item other noncurrent assets in the balance sheet. Operating lease liabilities represent CSC's obligation to make lease payments arising from the lease and are included in the line-item current liabilities and other noncurrent liabilities in the balance sheet. Operating lease ROU assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at the commencement date. When determining the lease term, CSC includes renewal or termination options that CSC is reasonably certain to exercise. Leases with a lease term of 12 months or less at inception are not recorded in the balance sheet. Operating lease expense is recognized on a systematic and rational basis over the lease term in the statement of activities. When the leases do not provide an implicit interest rate, CSC uses the local incremental borrowing rate based on the information available at the commencement date in determining the present value of future payments.

Property and Equipment

Property and equipment are stated at cost if purchased or estimated fair market value at the date of receipt if donated. Depreciation is primarily computed using the straight-line method over the estimated useful lives of the assets. Renewals and improvements that materially extend the life of the assets are capitalized. Minor replacements, maintenance, and repairs are charged for current operations. The depreciation expense for the year was \$114,794.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets generally as follows:

Building and improvement	30 years
Leasehold improvement	10 years
Furniture and fixtures	5-7 years
Equipment	3-7 years

CURRY SENIOR CENTER
Notes to Financial Statements
For the Years Ended June 30, 2023 and 2022

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Impairment of Long-lived Assets

CSC reviews for the impairment of long-lived assets and certain identifiable intangibles whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss would be recognized when estimated future cash flows expected to result from the use of asset and its eventual disposition is less than its carrying amount. CSC has not identified any such impairment losses for the year ended June 30, 2023 and 2022.

Functional Allocation of Expenses

The costs of the program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the nature classification detail of expenses by function. Certain categories of expenses are attributed to more than one program or supporting function, and therefore, require allocation on a reasonable basis that is consistently applied. Salaries, wages and payroll taxes, professional fees, employee training, and benefits have been allocated on the basis of estimates of time and effort.

Contributed Nonfinancial Assets

Donations of facilities, equipment, services, etc. are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained. Property and equipment are depreciated using the straight-line method over their estimated useful life.

Income Taxes

CSC is exempt from federal income taxes under section 501(c) (3) of the Internal Revenue Code, except for taxes on unrelated business income as described in Sections 511-514 of the Internal Revenue Code. CSC is also exempt from state and local income taxes under provisions similar to the Internal Revenue Code.

Uncertain tax positions

CSC's present policy is to evaluate all tax positions based on either having substantial authority for a tax position taken on a return or where substantial authority does not exist, then the Center discloses the tax treatment of the item and ensures that there is a reasonable basis for treatment. The Center has not taken any tax positions for any years open under the various statutes of limitations that required disclosure, because they were not supported by substantial authority. The Center believes that most if not all of its positions supported by substantial authority would meet the recognition standard of FASB ASC 740. The Center has evaluated any tax positions with respect to the "measurement" standard of FASB ASC 740 and is unable to determine the amount, if any, that would be required to be treated as "uncertain" under that standard. The Center's tax returns are subject to examination by

CURRY SENIOR CENTER
Notes to Financial Statements
For the Years Ended June 30, 2023 and 2022

Federal taxing authorities for a period of three years from the date they are filed and a period of four years for California taxing authorities.

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of June 30:

	2023			2022		
	Cost	Accumulated Depreciation	Net	Cost	Accumulated Depreciation	Net
Land	\$ 187,272	-	\$ 187,272	\$ 187,272	-	\$ 187,272
Building	4,329,306	\$ (2,188,735)	2,140,571	4,329,306	\$ (2,085,929)	2,243,377
Equipment	355,009	(312,044)	42,965	401,995	(347,041)	54,954
Construction in progress	1,054,800	-	1,054,800	-	-	-
Total	<u>5,926,387</u>	<u>(2,500,779)</u>	<u>3,425,608</u>	<u>4,918,573</u>	<u>(2,432,970)</u>	<u>2,485,603</u>

The management had approved the plan to remodel the newly leased building for program use. As of June 30, 2023, total amount of \$1,054,800 has been accumulated for construction in progress.

NOTE 5 – CONTRIBUTED NONFINANCIAL ASSETS

CSC recognized donated facilities as part of total support and expenses. The City and County of San Francisco Department of Public Health provided facilities for CSC to provide program services. Total income and expenses are recorded at \$50,000 as of June 30, 2023 and 2022, respectively. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

NOTE 6 – MORTGAGE AND LOAN PAYABLES

- On December 2, 2003, CSC entered into the Affordable Housing Bond Program Mortgage Loan Agreement with the San Francisco Mayor’s Office of Housing for a principal amount of \$786,427, carrying an annual interest rate of 1% with a 30-year (360 months) term, for the property at 315 – 321 Turk Street. The monthly payment includes principal and interest payments of \$2,539. The loan will be matured on June 1, 2032. Total interest of \$3,078 and \$3,351 were paid for the year ended June 30, 2023 and 2022, respectively. Total principal amount as of June 30, 2023 and 2022 was \$292,985 and \$320,379, respectively.
- CSC also received funding from the San Francisco Mayor’s Office of Housing. As of June 30, 2023 and 2022, the residual loan balance with 3% accrued interest was \$861,308.

CURRY SENIOR CENTER
Notes to Financial Statements
For the Years Ended June 30, 2023 and 2022

- On June 28, 2023, CSC entered into a loan agreement for a principal amount of \$500,000, carrying an annual simple interest rate of 6.25% with a 5-year term. Total principal amount as of June 30, 2023 was \$500,000.

Total principal amount of the above payables as of June 30, 2023 and 2022 consists of the following:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Current portion	\$ 27,670	\$ 27,395
Long-term portion	1,626,623	1,154,293
Total	\$ 1,654,293	\$ 1,181,688

NOTE 7 – LEASE COMMITMENTS

Leases and Agreements

In accordance with Generally accepted accounting principles (GAAP), Leased assets and corresponding liabilities are recognized based on the present value of the lease payments over the lease term.

- a) On August 1, 2019, CSC entered into a 3-year operating lease to rent a space for program use located in San Francisco, CA. The term commences on August 1, 2019 and will be terminated on July 31, 2023, with an option to extend for three years. The monthly rent will increase by 3% each year, and the current minimum monthly rent is \$2,344.
- b) On July 1, 2022, CSC entered into a 2-year operating lease to rent a space for facility use located in San Francisco, CA. The term commences on July 1, 2022 and will be terminated on June 30, 2024. The current minimum monthly rent is \$4,477.
- c) On March 10, 2023, CSC entered into a 10-year operating lease to rent a space for the program. The term will commence on October 1, 2023 and will be terminated on September 30, 2034, with an option to review for two periods of 5 years. The monthly rent will increase by 3 % each year and the current minimum monthly rent is \$6,361.

As of June 30, 2023, balance sheet information related to operating leases is as follows:

<u>Operating lease right-of-use assets</u>	<u>\$ 741,038</u>
Current portion of operating lease liabilities	\$ 135,510
<u>Long-term portion of operating lease</u>	<u>605,528</u>
<u>Total operating lease liabilities</u>	<u>\$ 741,038</u>

The leases have a weighted-average remaining lease term of 5 years and a weighted average discount rate of 6.5% as of June 30, 2023.

As of June 30, 2023, the Center recognized lease expenses associated with the lease for \$79,482.

CURRY SENIOR CENTER
Notes to Financial Statements
For the Years Ended June 30, 2023 and 2022

NOTE 7 – LEASE COMMITMENTS (Cont’d)

The following schedule summarizes the maturities of the operating lease liabilities as of June 30, 2023:

Year ended June 3,	
2024	\$ 139,869
2025	107,806
2026	82,874
2027	82,799
2028	85,283
Thereafter	<u>491,263</u>
Total operating lease payments	989,894
<i>Less: Imputed interest</i>	<u>248,856</u>
Total operating lease liabilities	<u>\$ 741,038</u>

NOTE 8 - Line of Credit

During the years ended June 30, 2023 and 2022 CSC has two lines of credit with a maximum total amount of \$752,748 and \$852,748, respectively. As of June 30, 2023 and 2022, there were zero balances outstanding.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

- Grants and other revenues are subject to inspection and audit by funding sources to determine whether the program funds were used in accordance with their requirements. The potential exists for the disallowance of previously funded amounts. CSC relies on donated space from the City and County of San Francisco Department of Public Health and provides services closely in conjunction with the Department. Any reduction in those items would severely impact CSC’s ability to provide services.
- Regarding recognition of upcoming grants and contributions to be received as of June 30, 2023, CSC has received significant amounts of promised resources from the City and County of San Francisco, as well as non-profit organizations. However, these contracts are often paid on a cost-reimbursement basis, requiring the grantee to incur specific qualifying expenses to receive the promised resources. In addition, these contracts may be modified in the future. CSC has not recorded these “promised resources” in the financial statements as the conditions for recognition have not been completed. CSC will record the grants as revenue in the period during which the conditions are met. As of June 30, 2023, total future grants were \$15,161,666.

Legal issues

- There are two employment-related legal matters against CSC. The first case involved alleged wrongful termination based upon discrimination and failure to accommodate, etc. This matter is currently pending further investigation and action by the Department of Fair Employment and Housing/Civil Rights Department (DFEH/CRD). The second case involved an ex-employee who was allegedly passed on as not being promoted when he should have been promoted instead. This matter could have been closed due to the expiration of a Right to Sue time issued by the Equal Employment Opportunity Commission

CURRY SENIOR CENTER
Notes to Financial Statements
For the Years Ended June 30, 2023 and 2022

(EEOC). Per legal counsel, CSC has vigorously defended these cases and any potential financial liabilities will be fully covered by the insurance company.

NOTE 10 – NET ASSETS WITH DONOR RESTRICTIONS

The total balance of the net assets with donor restrictions is \$815,657 and the composition is as follows:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Operating Grants	\$ 419,031	\$ 447,543
Subcontracts	116,391	-
Capital Campaign	-	42,563
Perpetual in nature	<u>280,235</u>	<u>280,235</u>
Total	<u>\$ 815,657</u>	<u>\$ 770,341</u>

NOTE 11 – AVAILABILITY AND LIQUIDITY

The following represents the Center's financial assets as of June 30:

Financial assets at year end:	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 1,191,266	\$ 535,205
Investment	621,428	594,288
Grants and accounts receivable	<u>1,204,645</u>	<u>800,079</u>
Total financial assets	3,017,339	1,929,572
Liquidity resources		
Secured revolving line of credits	<u>752,748</u>	<u>852,748</u>
Total liquidity resources	<u>752,748</u>	<u>852,748</u>
Financial assets available at year end	3,770,087	2,782,320
Less amounts not available to be used within one year:		
Net assets with donor restrictions	<u>858,235</u>	<u>770,341</u>
	<u>858,235</u>	<u>770,341</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 2,911,852</u>	<u>\$ 2,011,979</u>

The Center's goal is generally to maintain financial assets to meet 90 days of operating expenses. As part of its liquidity plan, excess cash is invested in short-term certificates of deposit. As of June 30, 2023, the management believes that the Center has sufficient funds to meet the current year's obligation.

CURRY SENIOR CENTER
Notes to Financial Statements
For the Years Ended June 30, 2023 and 2022

NOTE 12 – SUBSEQUENT EVENTS

The management of the CSC has reviewed the results of operations and evaluated all subsequent events for the period of time from its year end of June 30, 2023, through January 17, 2024, the date the financial statements were available to be issued, and have determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.

**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**

The Board of Directors
Curry Senior Center
San Francisco, California

We have audited, in accordance with the 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 financial statements of Friends of Curry Senior Center (“CSC”) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and changes in net assets, 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 January 17, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Curry Senior Center’s internal control over financial reporting (internal control) as a basis for designing 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 Curry Senior Center’s internal control. Accordingly, we do not express an opinion on the effectiveness of Curry Senior Center’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 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 weakness 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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Curry Senior Center’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have direct and material effect on the determination of the financial statements. 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 non-compliance 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 compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Burlingame, California
January 17, 2024