

***CIRCLE CENTER ADULT DAY SERVICES
AND SUBSIDIARY***

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Circle Center Adult Day Services
Richmond, Virginia

Opinion

We have audited the accompanying financial statements of the Circle Center Adult Day Services (a nonprofit organization) and its subsidiary, which comprise the consolidated statement of financial position as of June 30, 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Circle Center Adult Day Services (the "Organization") as of June 30, 2023, and the consolidated changes in 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. 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 Organization 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 the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated 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 consolidated 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 the Organization'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 Organization'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.

Report on Summarized Comparative Information

We previously audited the Organization's 2022 consolidated financial statements, as noted in our report dated January 23, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Pike & Morley, LLC
Richmond, Virginia
February 26, 2024

FINANCIAL STATEMENTS

**CIRCLE CENTER ADULT DAY SERVICES
AND SUBSIDIARY**

Consolidated Statement of Financial Position

June 30, 2023

With Comparative Totals as of June 30, 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash	\$ 283,395	458,779
Accounts receivable - net	52,093	65,473
Contributions and grants receivable	87,500	52,500
Restricted cash	14,146	6,783
Total current assets	437,134	583,535
PROPERTY AND EQUIPMENT - NET	2,795,844	2,894,715
Total assets	\$ 3,232,978	\$ 3,478,250
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	26,344	\$ 12,770
Accrued expenses	52,588	44,412
Deferred program service fees	14,194	14,404
Current portion of mortgage payable	20,963	20,214
Total current liabilities	114,089	91,800
LONG-TERM LIABILITIES		
Economic Injury Disaster Loan	150,000	150,000
Mortgage payable, net of current portion	545,404	564,867
Total long-term liabilities	695,404	714,867
Total liabilities	809,493	806,667
NET ASSETS		
Without donor restrictions	2,321,839	2,612,300
With donor restrictions	101,646	59,283
Total net assets	2,423,485	2,671,583
Total liabilities and net assets	\$ 3,232,978	\$ 3,478,250

See accompanying notes.

**CIRCLE CENTER ADULT DAY SERVICES
AND SUBSIDIARY**

Consolidated Statement of Activities

For the Year Ended June 30, 2023

With Comparative Totals for the Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total	
			2023	2022
REVENUE AND SUPPORT				
Program service fees	\$ 585,829	\$ -	\$ 585,829	\$ 436,933
Fees and grants from governmental agencies	406,761	-	406,761	314,229
Contributions and grants	301,002	115,655	416,657	393,500
Rental income	13,920	-	13,920	9,280
Other income	-	-	-	5,169
Interest income	111	-	111	18
	<u>1,307,623</u>	<u>115,655</u>	<u>1,423,278</u>	<u>1,159,129</u>
NET ASSETS RELEASED FROM RESTRICTIONS				
	<u>73,292</u>	<u>(73,292)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>1,380,915</u>	<u>42,363</u>	<u>1,423,278</u>	<u>1,159,129</u>
EXPENSES				
Program services	1,357,292	-	1,357,292	1,034,731
Mangement and general	163,901	-	163,901	163,060
Fundraising	150,183	-	150,183	135,994
Total expenses	<u>1,671,376</u>	<u>-</u>	<u>1,671,376</u>	<u>1,333,785</u>
CHANGE IN NET ASSETS	(290,461)	42,363	(248,098)	(174,656)
NET ASSETS, BEGINNING OF YEAR	<u>2,612,300</u>	<u>59,283</u>	<u>2,671,583</u>	<u>2,846,239</u>
NET ASSETS, END OF YEAR	<u>\$ 2,321,839</u>	<u>\$ 101,646</u>	<u>\$ 2,423,485</u>	<u>\$ 2,671,583</u>

See accompanying notes.

**CIRCLE CENTER ADULT DAY SERVICES
AND SUBSIDIARY**

Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2023

With Comparative Totals for the Year Ended June 30, 2022

	Program Services	Management and General	Fund Raising	TOTAL	
				2023	2022
Salaries and wages	\$ 833,041	\$ 84,323	\$ 100,401	\$ 1,017,765	\$ 769,477
Payroll taxes	65,504	6,487	7,994	79,985	61,212
Employee benefits	19,991	6,586	6,943	33,520	34,384
Retirement plan	1,667	-	-	1,667	2,407
Total salaries and related expenses	<u>920,203</u>	<u>97,396</u>	<u>115,338</u>	<u>1,132,937</u>	<u>867,480</u>
Interest	15,733	7,742	1,498	24,973	46,541
Electricity	25,557	2,105	2,405	30,067	22,757
Taxes	21,148	5,358	1,692	28,198	26,580
Custodial and waste services	22,515	2,065	2,014	26,594	16,943
Utilities	10,347	913	973	12,233	12,938
Meals and snacks	67,111	-	-	67,111	56,138
Repairs and maintenance	16,305	1,563	519	18,387	27,405
Insurance	31,918	2,628	3,003	37,549	43,817
Janitorial supplies	14,349	-	-	14,349	7,831
Professional fees	23,104	943	1,161	25,208	18,116
Office supplies	1,553	-	-	1,553	3,836
Marketing	50,832	-	6,578	57,410	4,199
Software	14,375	193	3,962	18,530	18,362
Telephone	10,330	911	912	12,153	7,897
Program supplies	4,358	83	-	4,441	8,031
Bank merchant charges	-	34,159	1,168	35,327	15,003
Printing	66	-	30	96	1,415
Nursing supplies	5,071	-	-	5,071	3,699
Postage	280	-	254	534	602
Conferences and meetings	506	-	30	536	282
Membership dues	454	400	-	854	819
Bad debt expense	9,755	-	-	9,755	9,464
Staff and volunteer appreciation	1,053	-	140	1,193	2,628
Depreciation and amortization	<u>90,369</u>	<u>7,442</u>	<u>8,506</u>	<u>106,317</u>	<u>111,002</u>
	<u>\$ 1,357,292</u>	<u>\$ 163,901</u>	<u>\$ 150,183</u>	<u>\$ 1,671,376</u>	<u>\$ 1,333,785</u>

See accompanying notes.

**CIRCLE CENTER ADULT DAY SERVICES
AND SUBSIDIARY**

Consolidated Statement of Cash Flows

For the Year Ended June 30, 2023

With Comparative Amounts for the Year Ended June 30, 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (248,098)	\$ (174,656)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	104,825	111,002
Bad debt expense	9,755	9,464
Amortization of deferred financing costs	1,492	498
Change in operating assets and liabilities:		
Accounts receivable, net	3,625	(26,860)
Contributions and grants receivable	(35,000)	18,000
Other current assets	-	144
Accounts payable	13,574	(7,738)
Accrued expenses	8,176	11,467
Deferred revenue	(210)	3,229
Net cash used in operating activities	(141,861)	(55,450)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(5,954)	(6,721)
Net cash used in investing activities	(5,954)	(6,721)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on long-term debt	(20,206)	(47,918)
Net cash used in financing activities	(20,206)	(47,918)
Net change in cash and cash equivalents	(168,021)	(110,089)
CASH AND CASH EQUIVALENTS		
Beginning of year	465,562	575,651
End of year	\$ 297,541	\$ 465,562
SUPPLEMENTAL CASH FLOW DISCLOSURES		
Cash paid for interest	\$ 21,275	\$ 21,237
CASH, CASH EQUIVALENTS AND RESTRICTED CASH ARE COMPRISED OF THE FOLLOWING:		
Cash and cash equivalents	\$ 283,395	\$ 458,779
Restricted cash	14,146	6,783
See accompanying notes.	\$ 297,541	\$ 465,562

**CIRCLE CENTER ADULT DAY SERVICES
AND SUBSIDIARY**

Notes to Consolidated Financial Statements

June 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Circle Center Adult Day Services is a non-stock Virginia corporation that is licensed as a day care center for adults by the Virginia Department of Social Services. It provides services for older adults living in the Richmond, Virginia metropolitan area. Such services are designed to meet the following goals:

1. Prevent inappropriate or premature institutionalization,
2. Provide on-going health support services,
3. Provide appropriate relief for family caregivers,
4. Improve the quality of life of frail and impaired older adults.

Circle Center Adult Day Services is supported primarily through fees and grants from governmental agencies, private payment for program services, donor grants and contributions, and the United Way.

Circle Center, LLC was formed as a single member limited liability company in order to purchase, own, renovate, and operate Circle Center Adult Day Service's operating facility.

Principals of Consolidation

The consolidated financial statements include the accounts of Circle Center Adult Day Services and its wholly-owned subsidiary, Circle Center, LLC (collectively referred to as "the Organization"). All significant intercompany accounts and transactions have been eliminated.

Use of Estimates

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

Basis of Presentation

The consolidated financial statements of the Organization 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"). Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

(Continued)

**CIRCLE CENTER ADULT DAY SERVICES
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Notes to Consolidated Financial Statements

June 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation, Continued

Information regarding the Organization's financial position and activities are reported according to the following net asset classifications:

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 Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions: Net assets that 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 Organization or by the passage of time.

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.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect on balances outstanding at year-end. Receivables are generally not collateralized. The Organization maintains an allowance for doubtful accounts based upon historical trends and factors surrounding the credit risk of specific participants. The Organization does not accrue interest or fees on overdue receivables. The allowance for doubtful accounts was \$6,072 as of June 30, 2023.

Contributions and Grants Receivable

Contributions and grants receivables are recorded as received or as conditions are met. Receivables due in the next year are recorded at their net realizable value and receivables due in subsequent years are recorded at the present value of their net realizable value, using an applicable risk-free rate. All contributions and grants receivable as of June 30, 2023 are due in the next year and no allowance for uncollectible accounts has been provided as management has evaluated the receivables and believes they are fully collectible.

(Continued)

**CIRCLE CENTER ADULT DAY SERVICES
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Notes to Consolidated Financial Statements

June 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment are valued at cost, or if donated, at fair value at the date of the gift. It is the Organization's policy to capitalize property and equipment over \$1,500. Depreciation is recorded on the straight-line method over the estimated useful lives of the assets, ranging from five to forty years. Maintenance and repairs are charged to expense when incurred.

Contributed Services

A number of unpaid volunteers donated significant contributions of their time for the year ended June 30, 2023 to the Organization's program and support services. These contributions in-kind are not reflected in the consolidated financial statements since these services do not meet the criteria for recognition.

Income Taxes

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code ("IRC") and therefore has made no provision for income taxes in the accompanying consolidated financial statements. In addition, the Organization has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the IRC.

Uncertain Tax Positions

The Organization follows Financial Accounting Standards Board ("FASB") guidance for how uncertain tax positions should be recognized, measured, disclosed and presented in the financial statements. Management has evaluated the Organization's tax position and concluded that the Organization had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. The Organization is not currently under audit by any tax jurisdiction.

Functional Allocation of Expenses

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

Advertising Costs

The Organization expenses advertising costs as they are incurred. Advertising expense was \$57,410 for the year ended June 30, 2023.

(Continued)

**CIRCLE CENTER ADULT DAY SERVICES
AND SUBSIDIARY**

Notes to Consolidated Financial Statements
June 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

Revenue Recognition

The Organization accounts for program service fees and fees and grants from governmental agencies under Topic 606, *Revenue from Contracts with Customers*. Program service fees and grants from governmental agencies are recognized monthly as services are provided and the Organization's completes its performance obligations by providing day services. As some participants pre-pay for services, any amounts received in advance of completed performance obligations are included as deferred revenue, or contract liabilities, on the accompanying consolidated statement of financial position. Accounts receivable, net on the accompanying consolidated statement of financial position represent contract receivables. Significant judgments may occur and economic factors such as the type of payee may impact the nature, amount, timing and uncertainty of revenue and cash flows.

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are met and the promises become unconditional. Contributions are considered to be without donor restrictions unless specifically restricted by the donor.

Restricted Cash

The Organization's cash deposits are related to unspent contributions with donor restrictions. These deposits totaled \$14,146 at June 30, 2023.

Comparative Totals

The consolidated financial statements include certain prior year summarized information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended June 30, 2022, from which the summarized information was derived. Certain reclassifications of balances previously reported have been made in the accompanying consolidated financial statements to maintain consistency between periods presented.

Reclassifications

Certain prior year amounts have been reclassified for consistency with the current year presentation.

**CIRCLE CENTER ADULT DAY SERVICES
AND SUBSIDIARY**

Notes to Consolidated Financial Statements

June 30, 2023

NOTE 2. PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2023, consisted of the following:

Land	\$ 281,384
Building and improvements	3,757,775
Equipment	158,460
Furniture and fixtures	157,904
Software	<u>5,849</u>
Total property and equipment	4,361,372
Less: accumulated depreciation	<u>(1,565,528)</u>
Net property and equipment	<u>\$ 2,795,844</u>

Depreciation expense was \$104,826 for the year ended June 30, 2023.

NOTE 3. MORTGAGE PAYABLE

The Organization has a note payable with a financial institution, bearing interest at 3.85% for the first five years, after which the rate increases to 5.06%. Monthly installments of principal and interest of \$3,606 are due for the first five years, after which the monthly installments increase to \$3,915, with any remaining principal and accrued interest due at the note's maturity on June 14, 2032. The notes are secured by substantially all assets of the Organization and the guarantee of Circle Center LLC. The balance of the note, net of amortized loan costs of \$13,426, was \$566,367 as of June 30, 2023.

Scheduled maturities of mortgage payable are as follows:

2024	\$ 20,963
2025	21,850
2026	22,718
2027	23,621
2028	22,254
Thereafter	<u>468,387</u>
	579,793
Less: debt issuance costs	<u>(13,426)</u>
	<u>\$ 566,367</u>

**CIRCLE CENTER ADULT DAY SERVICES
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Notes to Consolidated Financial Statements

June 30, 2023

NOTE 4. ECONOMIC INJURY DISASTER LOAN

In response to COVID-19, the SBA introduced an Economic Injury Disaster Loan (“EIDL”) for small business owners, including nonprofit organizations, to provide economic relief to organizations that were experiencing a temporary loss of revenue due to COVID-19. The Organization applied and received an EIDL in the amount of \$150,000 on July 9, 2020. The loan requires monthly installments of principal and interest of \$641 beginning 30 months after the effective date of June 23, 2020 and bears interest at 2.75%. Interest accrues from the funding date of the loan and any payments are first applied to accrued interest. Accrued interest of \$6,716 is included on the statement of financial position within accrued expenses. Collateral on the note includes all tangible and personal property of the Organization.

Future principal maturities on the note payable were as follows at June 30, 2023:

2024	\$	-
2025		699
2026		3,632
2027		3,733
2028		3,826
Thereafter		<u>138,110</u>
		<u>\$ 150,000</u>

NOTE 5. RESTRICTED NET ASSETS

Net assets with donor restrictions at June 30, 2023, consisted of the following:

Art therapy program	\$	6,325
Capital purchases		7,821
Time restricted		<u>87,500</u>
		<u>\$ 101,646</u>

Net assets were released from donor restrictions for the following purposes for the year ended June 30, 2023:

Programming	\$	458
Capital purchases		5,954
Technology upgrades		10,000
Time restricted		<u>56,880</u>
		<u>\$ 73,292</u>

**CIRCLE CENTER ADULT DAY SERVICES
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Notes to Consolidated Financial Statements
June 30, 2023

NOTE 6. PUBLIC SUPPORT

Contributions

Unrestricted contributions are received for use in the general day-to-day operations of the Organization.

A summary of contributions received for the year ended June 30, 2023, follows:

<u>Source</u>	
Annual appeal	\$ 149,391
Foundations and other organizations	<u>267,266</u>
	<u>\$ 416,657</u>

Fees and Grants from Governmental Agencies

Fees and grants from governmental agencies include funds received as third party reimbursements for serving specific qualified participants. A summary of fees and grants received for the years ended June 30, 2023 follows:

<u>Source</u>	
Medicaid	\$ 335,350
USDA	38,791
Senior Connections	<u>32,620</u>
	<u>\$ 406,761</u>

NOTE 7. RETIREMENT PLAN

The Organization has a qualified contribution retirement plan for the benefit of its employees. Employees are eligible to participate in the plan after six months of employment. Plan participants with over 500 hours of service are eligible for employer contributions. No contribution was made to eligible participants for the year ended June 30, 2023 and the retirement plan expense totaled \$1,667. The plan may be amended or terminated by the Board of Directors at any time.

**CIRCLE CENTER ADULT DAY SERVICES
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Notes to Consolidated Financial Statements

June 30, 2023

NOTE 8. CONCENTRATION OF RISK AND UNCERTAINTIES

Financial instruments, which potentially subject the Organization to concentration of credit risk, consist principally of cash, cash equivalents, and unsecured receivables. Cash and cash equivalents are maintained in two financial institutions in Richmond, Virginia. Accounts at each financial institution are insured by the Federal Deposit Insurance Corporation up to \$250,000, respectively. Receivables are primarily due from insurance providers and individuals and the Organization believes the credit risk related to these receivables is limited due to the nature of its donors and customers. The ability to collect receivables is affected by the general economic conditions. Two donors provided for 24% of the Organization's contribution revenue during 2023.

NOTE 9. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization has financial assets available within one year of the statement of financial position date to meet cash needs for general operating expenditures as follows:

Cash and cash equivalents	\$ 283,395
Accounts receivable	52,093
Contributions and grants receivable	87,500
Restricted cash	<u>14,146</u>
	437,134
Less amounts not available for use within one year:	
Net assets with donor restrictions	<u>101,646</u>
Total financial assets available	<u>\$ 335,488</u>

NOTE 10. LEASING ARRANGEMENTS

Effective November 1, 2022, Circle Center, LLC began leasing out a portion of the Organization's building to an organization that provides rehabilitation services. The lease term is twelve months and rent is payable to the Organization in the amount of \$1,160 a month, or \$13,920 annually. Rental income for 2023 was \$13,920.

**CIRCLE CENTER ADULT DAY SERVICES
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Notes to Consolidated Financial Statements

June 30, 2023

NOTE 11. INDEMNIFICATION

Under its by-laws, the Organization has certain obligations to indemnify its directors and officers for certain events or occurrences while the individual was serving at the Organization's request in such capacities. The maximum liability under these obligations is limited by the Code of Virginia; however, the Organization's insurance policies serve to further limit their exposure. The Organization believes that the estimated fair value of these indemnification obligations is minimal.

NOTE 12. SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 26, 2024, the date the financial statements were available to be issued, and has determined that there are no subsequent events to be reported in the accompanying consolidated financial statements.