

North Ottawa County
Council on Aging, Inc., d/b/a Four Pointes

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

September 30, 2024 and 2023



North Ottawa County Council on Aging, Inc., d/b/a Four Pointes

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
North Ottawa County Council on Aging, Inc., d/b/a Four Pointes
Grand Haven, Michigan

Opinion

We have audited the accompanying financial statements of North Ottawa County Council on Aging, Inc., d/b/a Four Pointes (a Michigan nonprofit corporation), which comprise the statements of financial position as of September 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years 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 North Ottawa County Council on Aging, Inc., d/b/a Four Pointes as of September 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of North Ottawa County Council on Aging, Inc., d/b/a Four Pointes and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 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 North Ottawa County Council on Aging, Inc., d/b/a Four Pointes' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Board of Directors
North Ottawa County Council on Aging, Inc., d/b/a Four Pointes
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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, misrepresentation, 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, 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 of 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 North Ottawa County Council on Aging, Inc., d/b/a Four Pointes’ 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 North Ottawa County Council on Aging, Inc., d/b/a Four Pointes’ ability to continue as 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.



Grand Haven, Michigan
January 3, 2025

North Ottawa County Council on Aging, Inc., d/b/a Four Pointes
STATEMENTS OF FINANCIAL POSITION
September 30, 2024 and 2023

ASSETS

	2024	2023
CURRENT ASSETS		
Cash and cash equivalents	\$ 227,367	\$ 684,122
Receivables		
Taxes	131,820	14,445
Other	30,998	30,663
Prepaid expenses	3,255	1,481
Total current assets	393,440	730,711
BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS	1,661,526	834,922
PROPERTY AND EQUIPMENT		
Leasehold improvements	1,016,343	1,016,343
Furniture and fixtures	186,803	171,792
	1,203,146	1,188,135
Less accumulated depreciation and amortization	(950,395)	(875,125)
	252,751	313,010
OTHER ASSETS		
Operating lease right-of-use assets	482,335	532,418
Security deposit	5,667	5,667
	\$ 2,795,719	\$ 2,416,728

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Current portion of operating lease liabilities	\$ 48,573	\$ 45,169
Accounts payable	17,285	9,463
Accrued liabilities	57,584	47,667
Deferred revenue	13,572	14,098
Total current liabilities	137,014	116,397
OTHER LIABILITIES		
Operating lease liabilities, less current portion	444,916	493,489
	581,930	609,886
NET ASSETS		
Without donor restrictions	2,178,411	1,778,828
With donor restrictions	35,378	28,014
	2,213,789	1,806,842
	\$ 2,795,719	\$ 2,416,728

The accompanying notes are an integral part of these statements.

North Ottawa County Council on Aging, Inc., d/b/a Four Pointes
STATEMENTS OF ACTIVITIES
Years ended September 30, 2024 and 2023

	2024		Total
	Without Donor Restrictions	With Donor Restrictions	
REVENUES AND SUPPORT			
Grants and contracted services			
Senior Resources	\$ 66,951	\$ 98,878	\$ 165,829
Other	4,339	6,750	11,089
Contributions			
Local governmental units	30,000	-	30,000
Donations and memorials	19,636	-	19,636
Memberships	30,756	-	30,756
Property taxes	798,210	-	798,210
Rents	900	-	900
Senior projects	39,557	-	39,557
Fundraising	1,417	-	1,417
Interest	15,268	-	15,268
Gain (loss) from beneficial interest in assets held by others	241,740	7,364	249,104
Gain (loss) on disposal of assets	-	-	-
Other	30,149	-	30,149
Net assets released from restrictions	105,628	(105,628)	-
Total revenues and support	1,384,551	7,364	1,391,915
EXPENSES			
Program services			
Senior Center Staffing	289,570	-	289,570
Case Coordination and Support	201,987	-	201,987
Independent Living Coordination	131,072	-	131,072
Homemaking	164,200	-	164,200
Support services			
Management and general	198,139	-	198,139
Total expenses	984,968	-	984,968
Change in net assets	399,583	7,364	406,947
Net assets at beginning of year	1,778,828	28,014	1,806,842
Net assets at end of year	\$ 2,178,411	\$ 35,378	\$ 2,213,789

The accompanying notes are an integral part of these statements.

2023		
Without Donor Restrictions	With Donor Restrictions	Total
\$ 69,949	\$ 97,615	\$ 167,564
9,249	3,458	12,707
24,500	-	24,500
14,533	-	14,533
31,094	-	31,094
739,677	-	739,677
900	-	900
25,507	-	25,507
490	-	490
5,074	-	5,074
98,942	2,609	101,551
(433)	-	(433)
47,916	-	47,916
101,073	(101,073)	-
1,168,471	2,609	1,171,080
297,259	-	297,259
185,881	-	185,881
152,623	-	152,623
183,836	-	183,836
177,842	-	177,842
997,441	-	997,441
171,030	2,609	173,639
1,607,798	25,405	1,633,203
\$ 1,778,828	\$ 28,014	\$ 1,806,842

North Ottawa County Council on Aging, Inc., d/b/a Four Pointes
STATEMENT OF FUNCTIONAL EXPENSES
Year ended September 30, 2024

	Program Services				Support Services		Total
	Senior Center Staffing	Case Coordination and Support	Independent Living Coordination	Home making	Total Program Services	Management and General	
Compensation and related expenses							
Salaries and wages	\$ 87,375	\$ 116,591	\$ 39,872	\$ 109,305	\$ 353,143	\$ 136,668	\$ 489,811
Payroll taxes	7,043	9,397	3,214	8,810	28,464	11,016	39,480
Employee benefits	279	372	127	349	1,127	436	1,563
Health insurance	3,483	4,649	1,590	4,359	14,081	5,450	19,531
	<u>98,180</u>	<u>131,009</u>	<u>44,803</u>	<u>122,823</u>	<u>396,815</u>	<u>153,570</u>	<u>550,385</u>
Advertising	4,354	1,741	871	871	7,837	871	8,708
Depreciation and amortization	37,634	15,053	7,527	7,527	67,741	7,527	75,268
Education	2,128	851	425	425	3,829	425	4,254
Insurance	11,047	4,418	2,209	2,209	19,883	2,209	22,092
Miscellaneous	7,194	2,878	1,439	1,439	12,950	1,439	14,389
Newsletter	13	16	5	15	49	19	68
Occupancy expense	24,207	9,683	4,842	4,842	43,574	4,842	48,416
Office expense	1,461	1,951	667	1,829	5,908	2,287	8,195
Operating leases	36,265	14,506	7,253	7,253	65,277	7,253	72,530
Prescription reimbursement	-	126	-	-	126	-	126
Professional fees	7,189	9,592	3,280	8,993	29,054	11,244	40,298
Repairs and maintenance	3,854	1,542	771	771	6,938	771	7,709
Senior projects	-	-	36,459	-	36,459	-	36,459
Senior services	38,065	-	-	-	38,065	-	38,065
Service contracts	14,111	5,645	2,822	2,822	25,400	2,822	28,222
Staff travel	1,529	2,040	698	1,913	6,180	2,392	8,572
Telephone	2,339	936	468	468	4,211	468	4,679
Transportation for seniors	-	-	16,533	-	16,533	-	16,533
	<u>\$ 289,570</u>	<u>\$ 201,987</u>	<u>\$ 131,072</u>	<u>\$ 164,200</u>	<u>\$ 786,829</u>	<u>\$ 198,139</u>	<u>\$ 984,968</u>

The accompanying notes are an integral part of these statements.

North Ottawa County Council on Aging, Inc., d/b/a Four Pointes
STATEMENT OF FUNCTIONAL EXPENSES
Year ended September 30, 2023

	Program Services				Support Services		Total
	Senior Center Staffing	Case Coordination and Support	Independent Living Coordination	Homemaking	Total Program Services	Management and General	
Compensation and related expenses							
Salaries and wages	\$ 73,510	\$ 105,119	\$ 63,500	\$ 129,050	\$ 371,179	\$ 124,009	\$ 495,188
Payroll taxes	5,968	8,535	5,156	10,478	30,137	10,068	40,205
Employee benefits	242	346	209	425	1,222	408	1,630
Health insurance	2,606	3,726	2,251	4,574	13,157	4,395	17,552
	<u>82,326</u>	<u>117,726</u>	<u>71,116</u>	<u>144,527</u>	<u>415,695</u>	<u>138,880</u>	<u>554,575</u>
Advertising	1,918	767	384	384	3,453	384	3,837
Depreciation and amortization	37,672	15,069	7,535	7,535	67,811	7,535	75,346
Education	2,634	1,053	527	527	4,741	527	5,268
Insurance	9,573	3,829	1,915	1,915	17,232	1,915	19,147
Miscellaneous	6,672	2,671	1,335	1,335	12,013	1,335	13,348
Newsletter	114	163	98	200	575	192	767
Occupancy expense	26,930	10,772	5,386	5,386	48,474	5,386	53,860
Office expense	1,429	2,043	1,234	2,509	7,215	2,411	9,626
Operating leases	36,265	14,506	7,253	7,253	65,277	7,253	72,530
Prescription reimbursement	-	60	-	-	60	-	60
Professional fees	1,886	2,697	1,629	3,311	9,523	3,182	12,705
Repairs and maintenance	10,147	4,059	2,029	2,029	18,264	2,029	20,293
Senior projects	-	-	31,492	-	31,492	-	31,492
Senior services	57,714	-	-	-	57,714	-	57,714
Service contracts	18,077	7,231	3,615	3,615	32,538	3,615	36,153
Staff travel	1,626	2,325	1,405	2,855	8,211	2,743	10,954
Telephone	2,276	910	455	455	4,096	455	4,551
Transportation for seniors	-	-	15,215	-	15,215	-	15,215
	<u>\$ 297,259</u>	<u>\$ 185,881</u>	<u>\$ 152,623</u>	<u>\$ 183,836</u>	<u>\$ 819,599</u>	<u>\$ 177,842</u>	<u>\$ 997,441</u>

The accompanying notes are an integral part of these statements.

North Ottawa County Council on Aging, Inc., d/b/a Four Pointes
STATEMENTS OF CASH FLOWS
Years ended September 30, 2024 and 2023

	2024	2023
Operating activities		
Change in net assets	\$ 406,947	\$ 173,639
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities		
Depreciation and amortization	75,268	75,346
(Gain) loss from beneficial interest in assets held by others	(249,104)	(101,551)
(Gain) loss on disposal of assets	-	433
Non-cash operating lease expense	4,914	6,240
	238,025	154,107
(Increase) decrease in operating assets		
Receivables	(117,710)	18,871
Prepaid expenses	(1,774)	1,332
Increase (decrease) in operating liabilities		
Accounts payable	7,822	(3,431)
Accrued liabilities	9,917	28,382
Deferred revenue	(526)	(340)
	(111,271)	12,014
Net cash provided by (used for) operating activities	135,754	198,921
Investing activities		
Contributions to beneficial interest in assets held by others	(577,500)	-
Property and equipment purchases	(15,009)	(6,518)
	(592,509)	(6,518)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(456,755)	192,403
Cash and cash equivalents at beginning of year	684,122	491,719
Cash and cash equivalents at end of year	\$ 227,367	\$ 684,122

The accompanying notes are an integral part of these statements.

North Ottawa County Council on Aging, Inc., d/b/a Four Pointes
NOTES TO FINANCIAL STATEMENTS
September 30, 2024 and 2023

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

North Ottawa County Council on Aging, Inc., d/b/a Four Pointes (Organization), a Michigan nonprofit corporation, provides general information, outreach, referral, and home care services to senior citizens in northern Ottawa County, Michigan. A summary of the Organization’s significant accounting policies applied in the preparation of the accompanying financial statements follows.

Basis of Accounting

The financial statements are presented on an accrual basis of accounting which recognizes income when earned and expenses when incurred.

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to the following net asset classes: without donor restrictions and with donor restrictions.

Net assets without donor restrictions. Net assets that are not subject to donor-imposed stipulations.

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

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

Revenue Recognition

Contribution Revenue

Contributions, which include cash, unconditional promises to give, certain contributed services, and gifts of long-lived and other assets, are recognized as revenues in the period received or promised. Substantially all of the Organization’s grants are considered to be contributions for the purpose of applying revenue recognition policies. Contributions receivable beyond one year are stated at net present value of the estimated cash flows using a risk-adjusted rate and are also recorded net of estimated uncollectible amounts.

Contributions are considered to be unconditional unless there are one or more barriers that must be overcome before the Organization is entitled to the assets received or promised. Conditional contributions are recognized when the conditions have been substantially met.

Unconditional contributions are considered to be without donor restriction unless specifically restricted by the donor for time or purpose. When a donor restriction is fulfilled or expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions and are reported in the statements of activities as net assets released from restriction.

North Ottawa County Council on Aging, Inc., d/b/a Four Pointes
NOTES TO FINANCIAL STATEMENTS
September 30, 2024 and 2023

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Revenue Recognition—Continued

Revenue from Contracts with Customers

The Organization has multiple revenue streams that are accounted for as revenue from contracts with customers including memberships, rents, senior projects, and other.

Because the Organization's performance obligations relate to contracts with duration of less than one year, the Association has elected to apply the optional exemption provided in FASB ASC 606-10-0-14(a), *Revenue from Contracts with Customers*, and, therefore, is not required to disclose the aggregate amount of the transactions' price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

Memberships

The Organization sells memberships to parties that live either within a millage-paying authority, or those who do not. A different membership rate is charged to those within millage-paying authorities, and those outside of millage-paying authorities. The membership periods last for a one-year term. Membership income is recognized ratably over the membership term, as its members simultaneously receive and consume the benefits over that timeframe.

Rents

The Organization leases a portion of its space to a third-party to provide meals to its members. Rental income is recognized ratably over the rental term, as the third-party renter simultaneously receives and consumes the benefits over that timeframe.

Senior Projects

The Organization provides events and activities for members who pay required fees in order to attend. These fees are recognized at a point in time, as the event or activity occurs.

Other

Significantly all of the Other income reported by the Organization is derived from a cost share fee charged to individuals utilizing the Organization's homemaking services. This fee is charged to those whose income is too high to qualify for subsidized assistance, and is earned at a point in time, as the services are provided.

Refunds for transactions from these revenue streams are rare. The Organization has not reported a liability for estimated returns, as the amounts are not considered material to the financial statements.

Taxes collected from customers relating to any product sales and remitted to governmental authorities are excluded from revenues.

Deferred revenues represent contract liabilities for monies received in advance of a performance obligation being satisfied.

Cash and Cash Equivalents

The Organization considers all demand deposits and short-term investments with a maturity of three months or less to be cash equivalents. Cash and cash equivalents does not include cash held by investment managers and designated for investment.

North Ottawa County Council on Aging, Inc., d/b/a Four Pointes
NOTES TO FINANCIAL STATEMENTS
September 30, 2024 and 2023

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Receivables

Property taxes are levied, by local taxing authorities, each July 1 and December 1 (payable through September 14 and February 14, respectively, without penalty) on the taxable value of property located in five municipalities. The millages levied by the local authorities expire on different dates through 2024. The 2024 state taxable value for real/personal property included in this levy totaled approximately \$3.230 billion. The ad valorem taxes levied ranged between 0.125 and 0.25 mills in all taxing authorities.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses.

Property and Equipment

Property and equipment are recorded at cost or estimated fair market value on the date donated. Property and equipment are assets with an initial cost of more than \$1,000 and an estimated useful life in excess of one year. Depreciation and amortization are provided for in amounts sufficient to relate the cost of depreciable and amortizable assets to operations over their estimated service lives utilizing the straight-line method.

Leases

In February 2016, the FASB issued ASU2016-02, *Leases (Topic 842)*, which requires lease assets and liabilities to be recorded on the balance sheet. The Organization adopted this ASU and related amendments as of October 1, 2022 under the modified retrospective approach and elected certain practical expedients permitted under the transition guidance, including to retain the historical lease classification, relief from reviewing expired or existing contracts to determine if they contain leases, and relief from determining whether previously capitalized initial direct costs would qualify for capitalization under this new ASU. For leases subject to index or rate adjustments, the most current index or rate adjustments were included in the measurement of operating lease obligations at adoption.

The adoption of this ASU and related amendments resulted in an increase to total assets and total liabilities of \$580,595 of October 1, 2022. Accounting policies as a result of the adoption of this ASU are described below. Refer to Note I for additional lease disclosures.

For any new or modified lease, the Organization, at inception of the contract, determines whether a contract is or contains a lease. The Organization records right-of-use (“ROU”) assets and lease obligations for its finance and operating leases, which are initially recognized based on the discounted future lease payments over the term of the lease. As the rate implicit in the Organization’s leases is not easily determinable, the Organization has elected to use the risk-free rate in calculating the present value of the sum of the lease payments.

Lease term is defined as the non-cancelable period of the lease plus any options to extend or terminate the lease when it is reasonably certain that the Organization will exercise the option. The Organization has elected not to recognize ROU asset and lease obligations for its short-term leases, which are defined as leases with an initial term of twelve months or less.

For all classes of underlying assets, the Organization has elected to separate lease from non-lease components. Costs such as property taxes assessed by the lessor to the lessee, common area maintenance, utilities, and repairs and maintenance have been excluded from variable lease expense.

North Ottawa County Council on Aging, Inc., d/b/a Four Pointes
NOTES TO FINANCIAL STATEMENTS
September 30, 2024 and 2023

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Volunteers

A number of volunteers, including the members of the Board of Directors, have made significant contributions of time to the Organization's policy-making, program, and support functions. The value of this contributed time does not meet the criteria for recognition of contributed services and, accordingly, is not reflected in the accompanying financial statements.

Description of Activities

Below is a summary of the program services administered by the Organization.

Senior Center Staffing

Provide wellness and social activities, educational programming and trips, and meals to older individuals through the Coopersville and Grand Haven Sites.

Case Coordination and Support

Case coordinators work individually and confidentially with people to determine what services they need to remain living independently.

Independent Living Coordination

Manages activities and volunteers of a specialized program directed to assisting with independent living. Provide insurance counseling, medical transportation, income tax filing assistance, prescription assistance, and consumer advocacy for individuals over sixty.

Homemaking

Provide homemaking, personal care, friendly reassurance and respite assistance to older individuals to allow them to continue living in their homes.

North Ottawa County Council on Aging, Inc., d/b/a Four Pointes
NOTES TO FINANCIAL STATEMENTS
September 30, 2024 and 2023

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Functional Expenses

The cost of providing the various programs and other activities has been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on management’s analysis and estimates.

Expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Compensation and related expenses	
Salaries and wages	Time and effort
Payroll taxes	Time and effort
Employee benefits	Time and effort
Health insurance	Time and effort
Facility overhead and other	
Advertising	Square footage
Depreciation and amortization	Square footage
Education	Square footage
Insurance	Square footage
Miscellaneous	Square footage
Newsletter	Time and effort
Occupancy expense	Square footage
Office expense	Time and effort
Operating leases	Square footage
Prescription reimbursement	Direct costs
Professional fees	Time and effort
Repairs and maintenance	Square footage
Senior projects	Direct costs
Senior services	Direct costs
Service contracts	Square footage
Staff travel	Time and effort
Telephone	Square footage
Transportation for seniors	Direct costs

Advertising Costs

The Organization expenses the cost of advertising and promotions as incurred. Advertising expense was \$8,708 and \$3,837 in 2024 and 2023, respectively.

Tax Status

The Organization is exempt from federal income tax under Internal Revenue Code Section 501(c)(3).

In the preparation of tax returns, tax positions are taken based on interpretation of federal and state income tax laws. Management periodically reviews and evaluates the status of uncertain tax positions and makes estimates of amounts, including interest and penalties, ultimately due or owed. No amounts have been identified, or recorded, as uncertain tax positions. Federal and state tax returns generally remain open for examination by the various taxing authorities for a period of three or four years.

North Ottawa County Council on Aging, Inc., d/b/a Four Pointes
NOTES TO FINANCIAL STATEMENTS
September 30, 2024 and 2023

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Use of Estimates

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Reclassification

Certain prior year accounts have been reclassified for comparative purposes to conform to the current year presentation.

Date of Management’s Review

Subsequent events have been evaluated through January 3, 2025, which is the date the financial statements were available to be issued.

NOTE B—CONTRACT BALANCES

Contract assets, which consisted of home service fees charged to customers, were \$3,280, \$1,809, and \$2,292 as of September 30, 2024, 2023, and 2022, respectively. Contract liabilities, which consisted entirely of deferred revenues, were \$13,572, \$14,098, and \$14,438 as of September 30, 2024, 2023, and 2022, respectively.

NOTE C—AVAILABILITY AND LIQUIDITY

The following represents the Organization’s financial assets as of September 30, 2024 and 2023:

	2024	2023
Financial assets at year end:		
Cash	\$ 227,367	\$ 684,122
Receivables	162,818	45,108
Beneficial interest in assets held by others	1,661,526	834,922
Total financial assets	2,051,711	1,564,152
Less amounts not available to be used within one year:		
Net assets with donor restrictions	35,378	28,014
Less net assets with purpose restrictions to be met in less than one year	-	-
	35,378	28,014
Financial assets available to meet general expenses over the next year	\$ 2,016,333	\$ 1,536,138

The Organization manages its liquidity by developing and adopting annual operating budgets that provide sufficient funds for general expenses and meeting its liabilities and other obligations as they become due.

NOTES TO FINANCIAL STATEMENTS

September 30, 2024 and 2023

NOTE D—CASH AND CASH EQUIVALENTS

The Organization maintains its cash balances in one financial institution. The balances are insured by the Federal Deposit Insurance Corporation up to certain limitations. At September 30, 2024, the Organization's cash balance was fully insured.

NOTE E—FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include the following:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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NOTE E—FAIR VALUE MEASUREMENTS—Continued

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2024 and 2023.

Beneficial interest in assets held by others: The assets are valued based upon the Organization’s allocable share of the Grand Haven Area Community Foundation’s (Community Foundation) pooled investment portfolio. The allocable share is based on the value of the underlying assets owned by the fund, minus its liabilities.

The beneficial interest in assets held by others are valued monthly by the Community Foundation and are allocated based upon each organization’s calculated share of the Community Foundation’s pooled investment portfolio. Each entity with an interest within the pooled investments receives a statement from the Community Foundation indicating the additions to the investment (via contributions), withdrawals from the investment (via grants), and the investment returns allocated via a unitization process. The Organization calculates the fair value of its beneficial interest in the pooled investment assets held by the Community Foundation based on the estimated fair value of the underlying assets. The Community Foundation controls the investments and makes all management and investment decisions.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Organization’s assets at fair value as of September 30, 2024 and 2023:

Assets at Fair Value as of September 30, 2024				
	Level 1	Level 2	Level 3	Total
Beneficial interest in assets held by others	\$ -	\$ 1,661,526	\$ -	\$ 1,661,526
Assets at Fair Value as of September 30, 2023				
	Level 1	Level 2	Level 3	Total
Beneficial interest in assets held by others	\$ -	\$ 834,922	\$ -	\$ 834,922

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NOTE F—BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

The Funds

The Organization has four funds with the Grand Haven Area Community Foundation (Community Foundation).

Designated Fund

The North Ottawa County Council on Aging Designated Fund (Designated Fund) was established in 1998 by the Organization primarily to transfer Organization operational surpluses to fund any operational deficiencies and to receive Fund contributions. The agreement with the Community Foundation allows the use of the Designated Fund's income and principal to be used for the Organization's general operations.

Endowment Fund

The North Ottawa County Council on Aging Endowment Fund (Endowment Fund) was established in 1998 as a permanent endowment fund of the North Ottawa County Council on Aging. The fund agreement allows the use of the Endowment Fund's income only in accordance with the Community Foundation's spending policy.

Special Needs Fund

The Gail Ringelberg Special Needs Fund (Special Needs Fund) was established in 2008 by the Organization to recognize the retiring Executive Director Gail Ringelberg's eight years of service. The agreement with the Community Foundation allows the use of the Special Need Fund's income and principal to be used at the Organization's discretion.

Non-endowed Fund

The North Ottawa County Council on Aging Non-Endowed Fund (Non-endowed Fund) was established in 2021 by the Organization primarily to transfer Organization operational surpluses for investment purposes. The agreement with the Community Foundation allows the use of the Non-endowed Fund's income and principal for the Organization's general operations.

The Community Foundation invests the contributions to the funds in various types of marketable equity and debt securities, U.S. Treasuries, commercial paper, and certificates of deposit. The majority of investments are uninsured and uncollateralized.

Reporting of the Assets of the Funds

The investments held at the Community Foundation, which were contributed by the Organization to the Designated Fund and the Special Needs Fund, along with the earnings on these investments, are reported at fair value as net assets without donor restrictions of the Organization. The contributions to this fund made by third party donors directly to the Community Foundation have been excluded from the net assets of the Organization.

Contributions by the Organization to the Endowment Fund along with the earnings on these investments are reported at fair value as net assets with donor restrictions. The contributions to this fund made by third party donors directly to the Community Foundation have been excluded from the net assets of the Organization.

North Ottawa County Council on Aging, Inc., d/b/a Four Pointes
NOTES TO FINANCIAL STATEMENTS
September 30, 2024 and 2023

NOTE F—BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS—Continued

Summary of Community Foundation Funds

A summary of revenues, expenses, and changes in the net assets at fair value of the funds for the years ended September 30, 2024 and 2023 follows:

	2024					2023				
	Designated Fund	Endowment Fund	Special Needs Fund	Non-endowed Fund	Totals	Designated Fund	Endowment Fund	Special Needs Fund	Non-endowed Fund	Totals
Revenues										
Contributions	\$ -	\$ -	\$ -	\$ 577,500	\$ 577,500	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income (loss), net	32,906	21,057	5,662	203,541	263,166	15,706	7,463	2,703	80,709	106,581
Change in net assets	32,906	21,057	5,662	781,041	840,666	15,706	7,463	2,703	80,709	106,581
Net assets at beginning of year	128,083	80,110	22,040	658,222	888,455	112,377	72,647	19,337	577,513	781,874
Net assets at end of year	160,989	101,167	27,702	1,439,263	1,729,121	128,083	80,110	22,040	658,222	888,455
Less assets recorded as those of the Foundation	-	(65,789)	(1,806)	-	(67,595)	-	(52,096)	(1,437)	-	(53,533)
Assets reported on the statements of financial position	\$ 160,989	\$ 35,378	\$ 25,896	\$ 1,439,263	\$ 1,661,526	\$ 128,083	\$ 28,014	\$ 20,603	\$ 658,222	\$ 834,922

The Board of Trustees of the Community Foundation has the power to modify any restriction or condition on the distribution of funds for any specified charitable purpose or to a specified organization if, in the sole judgment of the Board, such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community served. The authority to modify restrictions is sometimes referred to as “variance power” and is a legal standard imposed on all community foundations.

NOTE G—NET ASSETS

Net assets without donor restrictions as of September 30, 2024 and 2023 are comprised of the following:

	<u>2024</u>	<u>2023</u>
Undesignated	\$ 1,925,660	\$ 1,465,818
Board-designated		
Invested in property and equipment, net of related debt	252,751	313,010
Total net assets without donor restrictions	<u>\$ 2,178,411</u>	<u>\$ 1,778,828</u>

Net assets with donor restrictions as of September 30, 2024 and 2023 are comprised of the following:

	<u>2024</u>	<u>2023</u>
Specific purpose		
Other donor restricted funds - endowed	<u>\$ 35,378</u>	<u>\$ 28,014</u>

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NOTE G—NET ASSETS—Continued

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of the passage of time or other events specified by the donors as follows for the years ended September 30, 2024 and 2023:

	2024	2023
Senior Resources	\$ 98,878	\$ 97,615
Case coordination	6,750	3,000
ARPA Technology	-	458
	\$ 105,628	\$ 101,073

NOTE H—DISAGGREGATION OF REVENUE

Revenue from contracts with customers for 2024 and 2023 are comprised of the following:

	2024	2023
Performance obligations satisfied over time	\$ 31,656	\$ 31,994
Performance obligations satisfied at a point in time	71,123	73,913
	\$ 102,779	\$ 105,907

NOTE I—LEASES

Leases

Organization leases a building from an unrelated party. The Organization’s lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Operating Leases

The Organization leases office and program space at 1101 South Beacon Boulevard. The lease signed in September 2012 was initially for five years and includes an option for the tenant to extend the lease for three additional five-year terms through September 2032. The first two extensions were exercised in September 2017 and September 2022. Lease payments have an escalating fee schedule of the Consumer Price Index, with a minimum annual increase of two percent, and a maximum of four percent. The Organization is also responsible for monthly maintenance costs under the lease.

The Organization’s lease costs recognized in the consolidated statement of activities consist of the following for the year ended September 30, 2024 and 2023:

	2024	2023
Operating lease cost	\$ 72,530	\$ 72,530

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NOTE I—LEASES—Continued

Operating Leases—Continued

Other lease information is as follows for the year ended September 30, 2024 and 2023:

	2024	2023
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ 67,616	\$ 66,290
ROU assets obtained in exchange for new operating lease liabilities	\$ -	\$ 580,595
Weighted-average remaining lease term in years for operating leases	7.92	8.92
Weighted-average discount rate for operating leases	4.38%	4.38%

The aggregate annual lease liabilities as of September 30, 2024 are as follows:

Year ending September 30,	Operating leases
2025	\$ 68,968
2026	70,348
2027	71,755
2028	73,190
2029	74,654
Thereafter	226,437
Total undiscounted lease liabilities	585,352
Less imputed interest	(91,863)
	\$ 493,489

NOTE J—CONTINGENCIES

Grant Programs

The Organization participates in grant programs, which are subject to program compliance audits by the grantor or its representatives. Such audits of these programs may be performed at some future date. The amount, if any, of expenses which may be disallowed by the granting agencies cannot be determined at this time although the Organization expects such amounts, if any, to be immaterial.