CBIZ CPAs

SUNNYSIDE HOME CARE PROJECT, INC.

FINANCIAL STATEMENTS
(Together with Independent Auditors' Report)

YEARS ENDED JUNE 30, 2024 AND 2023

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CONTENTS

CBIZ CPAs P.C.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors of
Sunnyside Home Care Project, Inc.
New York, NY

Opinion

We have audited the financial statements of Sunnyside Home Care Project, Inc. ("Home Care"), which comprise the statements of financial position as of June 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 accompanying financial statements present fairly, in all material respects, the financial position of Home Care as of June 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 ("GAAS"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Home Care 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 Home Care's ability to continue as a going concern for 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 auditors' 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 GAAS 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 GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.

- 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 audits 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 Home Care'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 Home Care'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.

CBIZ CPAs P.C.

New York, NY
February 25, 2025

SUNNYSIDE HOME CARE PROJECT, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2024 AND 2023

	2024	2023
ASSETS		
Cash and cash equivalents (Notes 2C and 11)	$ 1,647,623	$ 343,333
Government grants receivable, net (Notes 2D, 2E, 2P and 4)	210,739	210,739
Accounts receivable, net (Notes 2E, 2I and 5)	8,290,369	10,294,939
Contributions receivable (Notes 2E and 2K)	-	18,273
Due from affiliates (Notes 10)	1,276,403	-
Prepaid expenses and other assets	-	85,500
Operating lease right-of-use asset (Notes 2M and 6)	816,759	1,006,823
TOTAL ASSETS	$ 12,241,893	$ 11,959,607
LIABILITIES		
Accounts payable and accrued expenses	$ 5,210,991	$ 4,596,048
Advances payable and deferred revenue (Note 2G)	28,310	577,971
Operating lease liability (Notes 2M and 6)	837,985	1,019,982
Due to affiliates (Note 10)	2,814,529	3,039,966
TOTAL LIABILITIES	8,891,815	9,233,967
COMMITMENTS AND CONTINGENCIES (Note 7)		
NET ASSETS (Note 2B)		
Without donor restrictions	3,350,078	2,700,640
With donor restrictions (Note 8)	-	25,000
TOTAL NET ASSETS	3,350,078	2,725,640
TOTAL LIABILITIES AND NET ASSETS	$ 12,241,893	$ 11,959,607

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

SUNNYSIDE HOME CARE PROJECT, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	For the Year Ended June 30, 2024			For the Year Ended June 30, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
GOVERNMENT AND OTHER SUPPORT:						
Government and other grants (Notes 2H and 11)	$ 518,692	$ -	$ 518,692	$ 1,607,546	$ -	$ 1,607,546
Contract revenue - Managed care (Notes 2I and 11)	44,373,190	-	44,373,190	41,227,117	-	41,227,117
Other income	208,144	-	208,144	239,420	-	239,420
Net assets released from restrictions (Notes 2B and 8)	25,000	(25,000)	-	-	-	-
TOTAL GOVERNMENT AND OTHER SUPPORT	45,125,026	(25,000)	45,100,026	43,074,083	-	43,074,083
OPERATING EXPENSES (Note 2N)**:**						
Program services						
Home care	40,114,125	-	40,114,125	39,616,951	-	39,616,951
Supporting services						
Management and general	4,361,463	-	4,361,463	4,213,222	-	4,213,222
TOTAL OPERATING EXPENSES	44,475,588	-	44,475,588	43,830,173	-	43,830,173
CHANGES IN NET ASSETS	649,438	(25,000)	624,438	(756,090)	-	(756,090)
NET ASSETS - BEGINNING OF YEAR	2,700,640	25,000	2,725,640	3,456,730	25,000	3,481,730
NET ASSETS - END OF YEAR	$ 3,350,078	$ -	$ 3,350,078	$ 2,700,640	$ 25,000	$ 2,725,640

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

SUNNYSIDE HOME CARE PROJECT, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	For the Year Ended June 30, 2024			For the Year Ended June 30, 2023		
	Program Services - Home Care	Management and General	Total	Program Services - Home Care	Management and General	Total
Salaries (Note 10)	$ 31,268,501	$ 1,599,348	$ 32,867,849	$ 31,138,707	$ 1,461,568	$ 32,600,275
Payroll taxes and fringe benefits (Note 9)	7,950,059	807,854	8,757,913	7,552,520	759,770	8,312,290
Total Personnel Costs	39,218,560	2,407,202	41,625,762	38,691,227	2,221,338	40,912,565
Consultants	109,211	204,147	313,358	152,880	422,746	575,626
Computer services	163,984	133,952	297,936	175,131	144,276	319,407
Occupancy (Notes 6 and 10)	224,341	183,255	407,596	209,417	172,482	381,899
Supplies/printing	55,136	45,039	100,175	73,908	60,886	134,794
Travel/transportation	61,207	25,643	86,850	53,045	21,995	75,040
Insurance	190,742	155,810	346,552	161,212	132,810	294,022
Repairs and maintenance	6,184	5,051	11,235	7,203	5,933	13,136
Bad debt expense	-	1,150,000	1,150,000	-	984,647	984,647
Other	84,760	51,364	136,124	92,928	46,109	139,037
TOTAL EXPENSES	$ 40,114,125	$ 4,361,463	$ 44,475,588	$ 39,616,951	$ 4,213,222	$ 43,830,173

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

SUNNYSIDE HOME CARE PROJECT, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	$ 624,438	$ (756,090)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Bad debt expense	1,150,000	984,647
Operating lease right-of-use amortization	190,064	187,901
Subtotal	1,964,502	416,458
Changes in operating assets and liabilities:		
(Increase) or decrease in assets:		
Accounts receivable	854,570	(2,762,974)
Contributions receivable	18,273	(18,273)
Due from affiliates	(1,276,403)	114,510
Prepaid expenses and other assets	85,500	(85,500)
Increase or (decrease) in liabilities:		
Accounts payable and accrued expenses	614,943	(512,699)
Advances payable and deferred revenue	(549,661)	(1,588,574)
Operating lease liability	(181,997)	(174,742)
Due to affiliates	(225,437)	9,129
Net Cash Provided by (Used in) Operating Activities	1,304,290	(4,602,665)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,304,290	(4,602,665)
Cash and cash equivalents - beginning of the year	343,333	4,945,998
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 1,647,623	$ 343,333

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

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Sunnyside Home Care Project, Inc. ("Home Care"), a not-for-profit licensed home care service agency, was established to provide personal care services to the elderly and disabled persons who require such services in order to maintain themselves safely at home. Home Care is funded primarily by fees from the City of New York Human Resources Administration ("HRA") and managed care revenues.

The agency is a not-for-profit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

The accompanying financial statements were prepared to present the financial position, changes in net assets and cash flows of only Home Care and do not include the financial position, changes in net assets and cash flows of its related organizations: Sunnyside Community Services, Inc. ("Sunnyside"), Sunnyside Citywide Home Care Services, Inc. ("Citywide") and Sunnyside CDPAP, Inc. ("CDPAP"). Effective January 1, 2019, Citywide began transferring clients to Home Care. All managed care clients were transferred as of March 1, 2020.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ***Basis of accounting*** - The accompanying financial statements of Home Care have been prepared on the accrual basis of accounting. Home Care adheres to accounting principles generally accepted in the United States of America ("U.S. GAAP").

B. ***Basis of presentation*** - Home Care maintains its net assets under the following two classes:

   a. Net assets without donor restrictions – includes funds having no restriction as to use or purpose imposed by donors. It represents resources available for support of Home Care's operations over which the Board of Directors has discretionary control.

   b. Net assets with donor restrictions – represents assets that are subject to donor-imposed stipulations. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

C. ***Cash and cash equivalents*** - Cash and cash equivalents consist of cash and highly liquid investments with maturity dates, when acquired, of three months or less.

D. ***Government grants receivable*** - Government grants receivable are recorded for expenditures made in accordance with grant agreements.

E. ***Allowance for credit losses*** - Home Care determines whether an allowance for credit losses should be provided for grants, contributions and accounts receivable. Such estimates are based on management's assessment of the aged basis of its receivables, current economic conditions, subsequent receipts and historical information. Receivables are written off against the allowance for credit losses when all reasonable collection efforts have been exhausted. Home Care has adopted Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 326, *Financial Instruments – Credit Losses*, in its financial statements for the year ended June 30, 2024. Management anticipates that the historic loss rates will be consistent during the next fiscal year and concluded that no adjustments to their methodology or inputs are required.

   Home Care calculated the allowance for credit losses for accounts receivable as follows as of June 30, 2024:

Balance, beginning of year	$ 2,505,828
Credit losses expenses for the period	1,150,000
Adjustments during the period	99,011
Write-offs during period	-
Balance, end of year	$ 3,754,839

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

As of June 30, 2023, Home Care determined an allowance of $2,505,828 was necessary for accounts receivable.

As of both June 30, 2024 and 2023, Home Care determined an allowance of $900,000 was necessary for government grants receivable and no allowance was necessary for contributions receivable.

F. ***Property and equipment*** - Property and equipment including leasehold improvements are recorded at cost. Items with a cost of $1,000 and estimated useful life of greater than one year are capitalized. Property and equipment are depreciated on the straight-line method over their estimated useful lives. Amortization of leasehold improvements is recorded on the straight-line method over the term of the lease or the life of the asset, whichever is shorter.

G. ***Advances payable and deferred revenue*** - Government grants are recorded as revenues to the extent that expenses have been incurred for the purposes specified by the grantors. To the extent amounts received exceed amounts spent, Home Care establishes refundable advances from governmental sources.

H. ***Revenue from Government Sources*** - Revenues from government contracts are recognized when reimbursable expenses are incurred under the terms of the contract. Such revenues are subject to audit by the governmental funding sources. No provision for disallowances is reflected in the financial statements, since management does not anticipate material adjustments. Laws and regulations related to government programs are subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates may change by a material amount in the near term. Additionally, noncompliance with such laws and regulations could result in penalties and exclusion from the government programs. Cost reimbursement type government grants are accounted for under Accounting Standards Update ("ASU") 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made* (Topic 958). Grants and contracts are recognized as revenue when barriers within the contract are overcome, and there is no right of return/ release from obligation. Government grants and contracts amounted to $518,692 and $1,607,546 for the years ended June 30, 2024 and 2023, respectively. As of June 30, 2024 and 2023, there were no conditional grants and contracts from government agencies that have not been recorded in the accompanying financial statements.

I. ***Contract and managed care revenues*** - Revenues from care of patients are reported at the estimated net realizable amounts from patients, third-party payors and others from services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Laws and regulations governing health care programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates may change by a material amount in the near term.

Home Care bills third-party payors after the services are performed or after it has completed its portion of the contract. Receivables are due in full when billed and revenue is recognized as performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided by Home Care in accordance with the contract. Revenue for performance obligations satisfied over time is recognized as the services are provided. This method depicts the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Home Care measures the performance obligation from the beginning of the next month or day to the point when it is no longer required to provide services under the contract or has met the requirements to bill for the services provided, which is generally at the end of each month or period of time allowed based on the stipulations.

All performance obligations relate to contracts with a duration of less than one year, therefore, there are no performance obligations or contract balances that are unsatisfied as of June 30, 2024 and 2023. The performance obligations for these contracts are completed when the service is completed and upon submission of required documentation. Home Care determines the transaction price based on established rates or contracts for services provided.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New York State provides Quality Incentive Vital Access Provider Pool ("QIVAPP") funding to eligible home care agencies. During the years ended June 30, 2024 and 2023, Home Care received $2,878,194 and $1,154,383 of QIVAPP funds, which are included in contract revenue – managed care in the statements of activities.

J. ***Client fees*** - Fees are recognized during the period the related services are provided.

K. ***Contributions*** - Unconditional contributions, including promises to give cash and other assets, are reported at fair value at the date the contribution is received. The gifts are reported as donor restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

L. ***Noncash contributions in-kind*** - Noncash contributions are recognized in the financial statements if the services enhance or create nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased, if not provided by donation. Home Care did not receive any noncash contributions in either of the years ended June 30, 2024 and 2023.

M. ***Leases*** - Home Care reports leases in accordance with ASU No. 2016-02, *Leases* (Topic 842). This standard requires the recognition of lease assets and lease liabilities on the statements of financial position and the disclosure of key information about leasing arrangements. The recognition, presentation, and measurement of lease related items in the financial statements will depend on whether the lease is classified as a finance or operating lease.

N. ***Functional allocation of expenses*** - The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The accompanying financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy and insurance which are allocated on a square footage basis, as well as salaries and wages, benefits and payroll taxes which are allocated on the basis of estimates of time and effort spent. Consultants, computer services, supplies, and all other expenses are allocated on the basis of full time equivalent.

O. ***Use of estimates*** - The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures at the date of the financial statements. Actual amounts could differ from those estimates.

P. ***Recent accounting pronouncements*** - On July 1, 2023, Home Care adopted FASB ASU No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instrumen*ts. This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss ("CECL") methodology. CECL requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts and generally applies to financial assets measured at amortized cost which will be presented at the net amount expected to be collected by using an allowance for credit losses.

Home Care adopted ASC 326 and all related subsequent amendments thereto effective July 1, 2023 using the modified retrospective approach for all financial assets measured at amortized cost. The adoption had no effect on the change in net assets as previously reported.

Q. ***Reclassification*** - Certain reclassifications have been made to the prior year financial statements to conform to the current year presentation.

NOTE 3 – LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following:

	2024	2023
Cash and cash equivalents	$ 1,647,623	$ 343,333
Accounts receivable, net	8,290,369	10,294,939
Contributions receivable	-	18,273
Government grants receivable, net	210,739	210,739
	$, 10,148,731	$ 10,867,284

Home Care regularly monitors liquidity required to meet its operating needs while also striving to maximize the investment of its available funds. This is done by comparing, on a weekly basis, funds available to actual expenses to be paid. Home Care also strives to collect receivables on a timely basis from all types of debtors.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, Home Care considers all expenditures related to its ongoing activities of its programs as well as the conduct of services undertaken to support those activities to be general expenditures. Donor restricted funds for various programs are considered available for the general expenditures to conduct those programs.

NOTE 4 – GOVERNMENT GRANTS RECEIVABLE, NET

Government grants receivable consist of the following as of June 30:

	2024	2023
Human Resources Administration (“HRA”)	$ 1,110,739	$ 1,110,739
Less: allowance for doubtful accounts	(900,000)	(900,000)
Total government grants receivable, net	$ 210,739	$ 210,739

NOTE 5 – ACCOUNTS RECEIVABLE, NET

Accounts receivable consist of the following as of June 30:

	2024	2023
Medicaid – Managed care	$ 11,000,648	$ 11,756,207
Other third-party insurance	1,044,560	1,044,560
Total accounts receivable	12,045,208	12,800,767
Less: allowance for credit losses	(3,754,839)	(2,505,828)
Total accounts receivable, net	$ 8,290,369	$ 10,294,939

NOTE 6 – LEASES

Home Care subleases its office located in Queens, New York from Sunnyside under an operating lease which expires on June 30, 2028. The lease provides for payments of real estate taxes and utilities in addition to minimum rent. In the event that governmental funding is terminated, Home Care may cancel the subleases upon giving one month’s notice to Sunnyside.

NOTE 6 – LEASES (Continued)

The operating lease costs for each of the years ended June 30, 2024 and 2023 was $216,775. Total cash paid by Home Care in the determination of the lease liability was $208,707 and $203,616 for the years ended June 30, 2024 and 2023, respectively.

The following summarizes the weighted-average remaining lease term and weight-average discount rate:

	2024	2023
Weighted average remaining lease term in years:		
Operating leases	4	5
Weighted-average discount rate:		
Operating leases	2.87%	2.87%

The operating lease asset and liability as of June 30, 2024, totaled $816,759 and $837,985, respectively. The operating lease asset and liability as of June 30, 2023, totaled $1,006,823 and $1,019,982, respectively.

The future minimum lease payments to Sunnyside, based on the sublease, subject to cancellation, for the years subsequent to June 30, 2024 are as follows:

2025	$ 213,925
2026	219,273
2027	224,754
2028	230,373
	888,325
Less: Present value discount	(50,340)
Operating lease liability	$ 837,985

NOTE 7 – COMMITMENTS AND CONTINGENCIES

A. ***HRA Recovery***

The City of New York HRA exercises control over the use of its funds and limits their use to the HRA program. HRA conducted a close-out for the fiscal years ended June 30, 2009, 2010 and 2011 and determined that Home Care owed a refund of $4,893,673. Such refund was fully paid by Home Care as of June 30, 2015. Home Care has not recorded a liability for fiscal years 2012 through 2017 as the amounts are undeterminable until HRA completes a close-out audit for each fiscal year.

Effective April 1, 2017, under the new contract with HRA, HRA does not exercise control over the use of its funds. All monies not spent during the grant period will be retained by Home Care as additional net assets under the contract.

B. ***Third Party Contingencies***

Home Care is responsible to report to various third parties, among which are the New York State Department of Health ("DOH"), the New York State Office of Attorney General ("AG"), the Internal Revenue Service ("IRS"), the New York State Department of Charities Registration, the Office of Inspector General, and the Office of Medicaid Inspector General ("OMIG"). These and other agencies, including HRA and the New York City Department for the Aging ("DFTA"), have the right to audit fiscal as well as programmatic compliance, i.e., clinical documentation and physician certifications, among other compliance requirements.

NOTE 7 – COMMITMENTS AND CONTINGENCIES (Continued)

DOH increased the Medicaid rates to provide funding for recruitment, training and retention of home health aides and/or other personnel with direct patient care responsibility. Home Care and Citywide are required to provide attestations certifying that these funds, if applicable, were paid to home health aides and other personnel with direct patient care responsibilities.

During 2007, the AG of the State of New York issued subpoenas to several Certified Home Health Agencies ("CHHAs") and Long-Term Home Health Care Programs ("LTHHCPs") citing that the Home Health Aides ("HHAs") they contracted from licensed vendor agencies were not actually trained, and their certification as HHAs was falsified. Therefore, the CHHAs and LTHHCPs billed Medicaid for ineligible services. Home Care maintains that it performed proper due diligence to assure that the HHAs it employs have appropriate training and certification. Home Care did not receive a subpoena; however, this matter and the AG's investigation have not been concluded. Home Care's management believes that they have no exposure in this matter.

C. ***Income Taxes***

Home Care believes it has no uncertain tax positions as of June 30, 2024 and 2023 in accordance with Accounting Standards Codification ("ASC") Topic 740, "Income Taxes," which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at June 30, 2024 and 2023 are available for the following purposes:

	2024	2023
Home Health Aide Training	$ -	$ 25,000
Total net assets with donor restrictions	$ -	$ 25,000

Net assets with donor restrictions were released from restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors for the years ended June 30 as follows:

	2024	2023
Home Health Aide Training	$ 25,000	$ -
	$ 25,000	$ -

NOTE 9 – PENSION PLANS

Nonunion Pension Plan

Home Care maintains a 403(b) pension plan that covers all full-time employees not covered by a collective bargaining agreement. On an annual basis, the Board determines a discretionary contribution for employees who are at least 21 years of age and have completed two years of service. Home Care's contributions amounted to $37,789 and $39,769 for the years ended June 30, 2024 and 2023, respectively.

Union Pension Plan

All union employees of Home Care participate in a multiemployer defined benefit pension plan administered by the union. Union pension expense for the years ended June 30, 2024 and 2023 was $517,551 and $507,451, respectively. Home Care did not contribute more than 5% of total contributions to those plans.

NOTE 9 – PENSION PLANS (Continued)

The risks of participating in these multiemployer defined benefit pension plans are different from single employer plans because: (a) assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers, (b) if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be required to be borne by the remaining participating employers, and (c) if Home Care chooses to stop participating in one of its multiemployer plans, it may be required to pay a withdrawal liability to the plan.

The following information was obtained from Home Care's union-managed pension plan:

Pension Fund	EIN/ Pension Plan Number	FIP/RP Status Pending/ Implemented	Contributions 2024	Contributions 2023	Surcharge Imposed	Effective Date of Collective Bargaining Agreement
1199 SEIU Home Care Employees Pension Fund	EIN 13-3943904 Plan No. 001	No	$517,551	$507,451	No	September 30, 2020

As of the date the financial statements were available to be issued, Form 5500 was available for the plan year ended December 31, 2023 and did not include 2024 plan information. The plan's actuaries have certified that the plan is not endangered, seriously endangered or critical status, as those terms are defined in the Pension Protection Act of 2006 for the plan year ended December 31, 2023.

NOTE 10 – RELATED-PARTY TRANSACTIONS

Home Care is related, through common board members, to Citywide and Sunnyside. At June 30, 2024, Home Care owes Citywide $2,814,529 and is owed $1,276,403 from Sunnyside, respectively. As of June 30, 2023, Home Care owes $3,004,340 and $35,626 to Citywide and Sunnyside, respectively. These represent normal operating expenses, are non-interest-bearing and are due on demand.

In addition, for the years ended June 30, 2024 and 2023 Sunnyside allocated rent (Note 6) and other expenses, as outlined in the table below, to Home Care.

	2024	2023
Rent, real estate taxes and utilities expenses	$ 328,156	$ 302,851
Salaries, fringe benefits and other expenses	995,341	968,040

Sunnyside has a revolving line of credit of $1.75 million with a bank as borrower with Home Care and Citywide as guarantors that matures on December 31, 2024. Interest on this line is calculated using Term SOFR Daily Floating Rate plus 3.38 percentage points. As of June 30, 2024, there was no outstanding balance on the Line. As of February 25, 2025, there is no borrowing under the line.

As of June 30, 2023, Sunnyside has two revolving lines of credit of $2 million and $1.5 million with a bank as borrower with Home Care and Citywide as guarantors that matured on December 31, 2023 and March 31, 2024, respectively. Neither of the revolving lines of credit were renewed during the year. As of June 30, 2023, the outstanding balance from the lines amounted to $100,000 and was repaid during the year ended June 30, 2024.

NOTE 11 – CONCENTRATIONS

Credit Risk

Cash and equivalents that potentially subject Home Care to a concentration of credit risk include cash accounts with banks that exceed the Federal Deposit Insurance Corporation ("FDIC") insurance limits. Cash accounts are insured up to $250,000 per depositor. As of June 30, 2024 and 2023, there was approximately $1.5 million and $175,000, respectively, of cash held by one bank that exceeded FDIC limits.

Revenue

For the year ended June 30, 2024, the contracts with HRA represent 26% of total revenues and 47% of accounts receivable as of June 30, 2024. Also, contracts with three managed care vendors represent 57% of total revenues and 33% of accounts receivable.

For the year ended June 30, 2023, the contracts with HRA represent 26% of total revenues and 33% of accounts receivable as of June 30, 2023. Also, contracts with three managed care vendors represent 56% of total revenues and 38% of accounts receivable.

NOTE 12 – SUBSEQUENT EVENTS

Management has evaluated, for potential recognition and disclosure of, events subsequent to the date of the statement of financial position through February 25, 2025, the date the financial statements were available to be issued.