Services for the Aged, Inc.
(d/b/a JASACare)

Financial Statements
and Independent Auditor's Report

June 30, 2025 and 2024

CohnReznick

Services for the Aged, Inc.
(d/b/a JASACare)

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Independent Auditor's Report

To the Board of Trustees
Services for the Aged, Inc. (d/b/a JASACare)

Opinion

We have audited the financial statements of Services for the Aged, Inc. (d/b/a JASACare) (the "Organization"), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities and changes in net assets, 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 the Organization as of June 30, 2025 and 2024, 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 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Substantial Doubt About the Entity's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Organization will continue as a going concern. As discussed in Note 2 to the financial statements, the Organization has suffered recurring losses from operations, has a net deficit, and has stated that substantial doubt exists about the Organization's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 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.

CohnReznick LLP

New York, New York
May 11, 2026

Services for the Aged, Inc.
(d/b/a JASACare)

Statements of Financial Position
June 30, 2025 and 2024

Assets

	2025	2024
Current assets		
Cash	$ 5,703,600	$ 4,143,601
Patient services receivable, net	2,694,126	3,156,230
Other receivables	57,028	21,982
Prepaid expenses and other assets	21,858	19,436
Total current assets	8,476,612	7,341,249
Property and equipment, net	42,715	71,191
Operating right-of-use asset	1,928,044	2,164,150
Total assets	$ 10,447,371	$ 9,576,590

Liabilities and Net Assets Without Donor Restrictions

Current liabilities		
Accounts payable	$ 209,650	$ 274,258
Due to related parties	4,568,135	3,172,482
Accrued payroll, payroll taxes and withholdings	1,204,096	1,138,420
Accrued vacation and other benefits	545,325	513,342
Other accrued expenses	157,810	103,254
Deferred revenue	28,375	-
Operating lease liability, current	276,949	260,758
Total current liabilities	6,990,340	5,462,514
Operating lease liability, noncurrent	2,101,252	2,369,259
Due to Human Resources Administration	2,389,482	2,389,482
Total liabilities	11,481,074	10,221,255
Contingencies		
Net deficit without donor restrictions	(1,033,703)	(644,665)
Total liabilities and net deficit without donor restrictions	$ 10,447,371	$ 9,576,590

See Notes to Financial Statements.

Services for the Aged, Inc.
(d/b/a JASACare)

Statements of Activities and Changes in Net Assets
Years Ended June 30, 2025 and 2024

	2025	2024
Revenue without donor restrictions		
Patient services revenue, net	$ 30,817,602	$ 28,768,775
Grant income	27,614	11,320
Interest and other income	1,627	23,491
Total revenue	30,846,843	28,803,586
Expenses		
Program expenses	26,826,162	26,333,675
Management and general expenses	4,409,719	4,457,993
Total expenses	31,235,881	30,791,668
Change in net assets without donor restrictions	(389,038)	(1,988,082)
Net (deficit) assets without donor restrictions, beginning	(644,665)	1,343,417
Net deficit without donor restrictions, end	$ (1,033,703)	$ (644,665)

See Notes to Financial Statements.

Services for the Aged, Inc.
(d/b/a JASACare)

Statement of Functional Expenses
Year Ended June 30, 2025

	Program services	General and administrative	Total
Salaries	$ 21,488,955	$ 1,425,877	$ 22,914,832
Payroll taxes and fringe benefits	4,168,910	430,594	4,599,504
Total salaries and related expense	25,657,865	1,856,471	27,514,336
Emergency answering services	32,183	-	32,183
Medical exams	103,294	-	103,294
Computer services	175,589	-	175,589
Administrative fees	-	1,558,159	1,558,159
Insurance costs	568,704	284,412	853,116
Occupancy	157,291	215,365	372,656
Professional and consulting fees	-	242,192	242,192
Temporary staffing	-	78,562	78,562
Telephone	10,664	1,419	12,083
Expensed furniture and equipment	-	7,513	7,513
Printing, office and training supplies	39,265	2,335	41,600
Dues, subscriptions and conferences	13,042	38,101	51,143
Transportation	5,118	-	5,118
Postage and messenger service	10,068	1,340	11,408
Other operational expenses	-	95,374	95,374
Credit loss expense	53,079	-	53,079
Depreciation	-	28,476	28,476
Total functional expenses	$ 26,826,162	$ 4,409,719	$ 31,235,881

See Notes to Financial Statements.

Services for the Aged, Inc.
(d/b/a JASACare)

Statement of Functional Expenses
Year Ended June 30, 2024

	Program services	General and administrative	Total
Salaries	$ 20,403,399	$ 1,354,665	$ 21,758,064
Payroll taxes and fringe benefits	4,128,994	465,817	4,594,811
Total salaries and related expense	24,532,393	1,820,482	26,352,875
Emergency answering services	31,471	-	31,471
Medical exams	119,292	-	119,292
Computer services	172,562	-	172,562
Administrative fees	-	1,485,048	1,485,048
Insurance costs	847,605	271,550	1,119,155
Occupancy	151,394	220,677	372,071
Professional and consulting fees	-	383,276	383,276
Temporary staffing	-	65,880	65,880
Telephone	11,996	1,616	13,612
Expensed furniture and equipment	-	11,101	11,101
Printing, office and training supplies	38,212	2,260	40,472
Dues, subscriptions and conferences	7,635	26,639	34,274
Transportation	2,569	-	2,569
Postage and messenger service	7,639	1,028	8,667
Other operational expenses	-	136,438	136,438
Credit loss expense	410,907	-	410,907
Depreciation	-	31,998	31,998
Total functional expenses	$ 26,333,675	$ 4,457,993	$ 30,791,668

See Notes to Financial Statements.

Services for the Aged, Inc.
(d/b/a JASACare)

Statements of Cash Flows
Years Ended June 30, 2025 and 2024

	2025	2024
Cash flows from operating activities		
Change in net assets	$ (389,038)	$ (1,988,082)
Adjustments to reconcile changes in net deficit to net cash provided by operating activities		
Credit loss expense	53,079	410,907
Depreciation and amortization	28,476	31,998
Noncash operating lease costs	236,106	231,672
Noncash change in operating lease liability	65,152	82,826
Changes in operating assets and liabilities		
Patient services receivable	409,025	801,745
Grants receivable	-	6,626
Other receivables	(35,046)	(21,982)
Prepaid expenses and other current assets	(2,422)	67,525
Accounts payable and accrued expenses	87,607	17,198
Due to related parties	1,395,653	1,655,986
Deferred revenue	28,375	(2,935)
Operating lease liability	(316,968)	(320,055)
Due to Human Resources Administration	-	37,049
Net cash provided by operating activities and net increase in cash	1,559,999	1,010,478
Cash, beginning of year	4,143,601	3,133,123
Cash, end of year	$ 5,703,600	$ 4,143,601

See Notes to Financial Statements.

Note 1 - Organization and summary of significant accounting policies

Organization
Services for the Aged, d/b/a JASACare (the "Organization"), is a New York State Department of Health ("NYSDOH") licensed agency providing skilled home health care services, activities of daily living, and nursing services to older adults and their families.

Basis of presentation
The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

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

Cash and concentration of risk
The Organization considers all highly-liquid investments with original maturities of three months or less when purchased to be cash equivalents. Cash consists of cash deposited with major U.S. banks. The Organization had no cash equivalents as of June 30, 2025 and 2024.

The Organization maintains its cash in a bank deposit account which, at times, may exceed the federally-insured limits. The Organization maintains its cash with a high-quality financial institution. The Organization monitors its financial institution and the concentration of credit risk on a regular basis and does not anticipate nonperformance by the financial institution.

Classification of net assets
The Organization classifies its net assets into two categories, which are described as follows:

Net assets without donor restrictions are 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. Net assets without donor restrictions include resources that the governing board may use for any designated purpose and resources whose use is limited by agreement between the Organization and an outside party other than a donor or grantor.

Net assets with donor restrictions are net assets 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. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities and changes in net assets. Donor-restricted contributions whose contributions expire during the same fiscal year are recognized as revenue without donor restrictions. There were no net assets with donor restrictions as of June 30, 2025 and 2024.

Property and equipment
Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation and amortization are recorded on a straight-line basis over the estimated useful lives of the assets ranging from 3 to 15 years. Leasehold improvements are amortized on a straight-line basis over estimated useful life. The Organization capitalizes all purchases of property and equipment in excess of $5,000.

Net patient services revenue and receivables
Patient care service revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors (including health insurers and government programs), and others and could include variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, the Organization bills the patients and third-party payors several days after the services are performed. Revenue is recognized as performance obligations are satisfied, which is reflected after time sheets are submitted by home attendants.

Performance obligations are determined based on the nature of the services provided by the Organization. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Organization believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to patients receiving home attendant services. The Organization measures the performance obligation from the commencement of a home attendant service, to the point when it is no longer required to provide services to that patient, which is generally at the time of completion of the home attendant services.

Because all of its performance obligations relate to contracts with a duration of less than one year, the Organization has elected to apply the optional exemption provided in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 606-10-50-14a and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The Organization's performance obligations consist primarily of home attendant services that occur within one day; thus, there were no unsatisfied or partially unsatisfied performance obligations at the end of the reporting period.

The Organization determines the transaction price based on standard charges for goods and services provided. The transaction price or rate is established and then negotiated with patients and third-party payors based on the number of hours required per patient. The transaction price reflects the Organization's historical collection experience. The payor offers a contract price and the Organization reviews the rate to determine whether to accept or reject the proposed rate; any difference between the contract price and the accepted proposed rate is deemed a contractual adjustment and would constitute an implicit price concession. The Organization uses a blended rate based on hours to determine if the contract rate is acceptable.

Agreements with third-party payors typically provide for payments at amounts less than established charges. A summary of the payment arrangements with major third-party payors follows:

Medicaid - Reimbursements for Medicaid services are generally paid at prospectively determined rates per unit or per hour.

Other - Payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations provide for payment using prospectively determined rates per units or per hour, an established blended rate, and prospectively determined daily rates.

Settlements with third-party payors for retroactive adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor, and the Organization's historical settlement activity. There were no adjustments arising from a change in the transaction price in 2025 or 2024 due to the above.

Subsequent changes that are determined to be the result of an adverse change in the patient's ability to pay are recorded as credit loss expense.

Grant income
Transactions where the resource provider often receives value indirectly by providing a societal benefit, although the societal benefit is not considered to be of commensurate value, are deemed to be grants or contributions. Grants and contributions are classified as conditional or unconditional. A conditional grant or contribution is a transaction where the Organization has to overcome a barrier or hurdle to be entitled to the resource and the resource provider is released from the obligation to fund or has the right of return of any advanced funding if the Organization fails to overcome the barrier. The Organization recognizes the grant or contribution revenue upon overcoming the barrier or hurdle. Any funding received prior to overcoming the barrier is recognized as deferred revenue.

Unconditional grants or contributions are recognized as revenue and receivable when the commitment to contribute is received.

Advertising costs
Advertising costs are expensed as incurred. Advertising expense for the years ended June 30, 2025 and 2024 amounted to $38,675 and $94,630, respectively. These costs are included in other operational expenses on the statements of functional expenses.

Functional expenses
The costs of providing program and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among program services, and general and administrative. Such allocations are determined by management using their best estimate. Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. Salaries, payroll taxes and fringe benefits, insurance costs, and temporary staffing are allocated on the basis of actual cost. Emergency answering services, medical exams, computer services, administrative fees, occupancy, professional and consulting fees, expensed furniture and equipment, printing, office and training supplies, dues, subscriptions and conferences, transportation, other operational expenses, and depreciation are allocated on the basis of estimates of time and effort.

Tax status
The Organization was incorporated as a not-for-profit corporation under the laws of the State of New York and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code; therefore, there is no provision for income taxes.

Management has analyzed the tax positions taken by the Organization and has concluded that, as of June 30, 2025, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization's federal and state income tax returns prior to fiscal year 2021 are closed and management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and authoritative rulings.

If applicable, the Organization will recognize interest and penalties paid in association with tax matters as part of expenses in the statements of activities and changes in net assets. There were no interest or penalties incurred for the years ended June 30, 2025 and 2024.

Subsequent events
The Organization has evaluated subsequent events through May 11, 2026, which is the date the financial statements were available to be issued.

Note 2 - Availability and liquidity

Financial assets available for general expenditures within one year from the statements of financial position dates are as follows:

	2025	2024
Financial assets at year-end		
Cash	$ 5,703,600	$ 4,143,601
Patient services receivable, net	2,694,126	3,156,230
Other receivables	57,028	21,982
Subtotal of financial assets at year-end	8,454,754	7,321,813
Less: cash held for unclaimed wages	(141)	(141)
Less: cash held for HRA recoupment	(1,141,320)	(1,141,320)
Financial assets available to meet general expenditures over the subsequent 12-month periods	$ 7,313,293	$ 6,180,352

The Organization has a contract with New York City Human Resources Administration ("HRA") to provide home attendant services to Medicaid-eligible individuals and management has set aside cash in anticipation of recoupment (see Note 6).

Net cash flows for the year ended June 30, 2025 were positive as a result of a restructured payment plan for amounts due to an affiliate (see Note 7). On a regular basis, the Organization monitors the availability of resources required to meet its operating needs and other commitments. For the purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities. In addition to the aforementioned assets available to meet general expenditures over the 12 months, the Organization anticipates collecting sufficient revenue to cover general expenditures.

The Organization has incurred operating losses since June 30, 2021 and has had negative net assets for the years ended June 30, 2023 onward. The Organization is currently working with its affiliate to complete a multi-year payment plan for the amount due as part of its overall long-range financial plan. Management is in the process of adjusting its operations to ensure that adequate liquidity exists to continue to fund operations including:

- Expanding the efforts of the marketing team to increase the Organization's client base and create new relationships with managed long-term care plans and health systems, as well as improve relationships with existing plans.
- Reorganizing the intake team to ensure seamless information translation to reduce on boarding delays and improve the client experience.
- Aligning technology to reduce the backend need for additional labor associated with scheduling, payroll and coordination.

With these initiatives, management believes the Organization will have sufficient liquidity to fund its operations and meet its obligations as they become due for at least the 12-month period beginning on May 11, 2026.

The Organization can provide no assurances that these initiatives will succeed, therefore, substantial doubt continues to exist regarding the Organization's ability to continue as a going concern for the 12-month period beginning on May 11, 2026. These financial statements do not include any adjustments related to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Organization not be able to continue as a going concern.

Note 3 - Net patient services revenue and net patient receivables

The composition of patient care service revenue by primary payor for the years ended June 30, 2025 and 2024 is as follows:

Patient services revenue
Patient services revenue, net, consists of the following at June 30:

	2025	2024
HRA	$ 11,352,025	$ 10,326,513
Managed long-term care plans	18,693,350	17,524,227
Private	772,227	918,035
	$ 30,817,602	$ 28,768,775

Revenue from patients' deductibles and coinsurance are included in the preceding categories based on the primary payor. Patient receivables consist of amounts due from government programs, commercial insurance companies, other group insurance programs, and private pay patients.

Net patient services receivables, net consist of the following at June 30:

	2025	2024
HRA	$ 1,741,283	$ 1,904,757
Managed long-term care plans	845,042	1,200,562
Private	107,801	50,911
Total	$ 2,694,126	$ 3,156,230

The Organization's concentration of credit risk relating to patient services receivables primarily relates to patient accounts for which the primary insurance payor has not paid. The Organization recognized $53,079 and $410,907 in patient receivable impairment for the years ended June 30, 2025 and 2024, respectively, based on patient-specific impairment events. Patient services receivables, net as of July 1, 2023 amounted to $4,368,882.

Note 4 - Property and equipment, net

Property and equipment, net as of June 30 is as follows:

	2025	2024
Computer equipment	$ 15,754	$ 15,754
Furniture and fixtures	114,745	114,745
Leasehold improvements	39,398	39,398
Computer software	62,988	62,988
Total	232,885	232,885
Lease accumulated depreciation and amortization	(190,170)	(161,694)
Property and equipment, net	$ 42,715	$ 71,191

Note 5 - Grant income and deferred revenue

During the year ended June 30, 2022, the Organization was awarded approximately $1,290,000 by NYSDOH as part of an initiative to enhance, expand, and strengthen Medicaid Home and Community-Based Services in New York State and recognized revenue of $120,000. This award was partially funded by the U.S. Department of Health and Human Services ("HHS") after the passage of the American Rescue Plan Act of 2021 ("ARPA"). In connection with this award, the Organization recognized revenue of approximately $2,935 during the year ended June 30, 2024. The award was not renewed and no income in connection to the award was recognized for the year ended June 30, 2025. The revenue is included in grant income in the statements of activities and changes in net assets.

During the year ended June 30, 2025, the Organization received other conditional contributions for programmatic services and home attendants training, the unspent portion of which is included in the balance of deferred revenue at year-end. Revenue recognized during the year in connection with these conditional contributions amounted to approximately $5,400, which is included in grant income in the statements of activities and changes in net assets.

Note 6 - Due to Human Resources Administration

The Organization has a contract with HRA to provide home attendant services to Medicaid-eligible individuals. The contracts prior to March 31, 2017 stipulate a fixed direct labor cost, plus an approved general and administration fee, and an indirect labor ("GAIL") expense amount. As a not-for-profit entity, the previous HRA contract also stipulates that the Organization cannot generate a profit from the services performed. Consequently, revenue in excess of expenses incurred under the previous HRA contract is recorded as Due to HRA on the statements of financial position. Should the Organization incur GAIL (profit) the Organization must repay HRA. In accordance with the HRA contract, audits are to be conducted annually. The HRA audits have been completed through June 30, 2012. As of June 30, 2025 and 2024, the liability due to HRA is $2,389,482 for each year, which reflects the result of the HRA audits through June 30, 2012, as well as the estimated amounts determined by the Organization for the fiscal years through June 30, 2025 and 2024. Management's estimate of this liability could change based upon future HRA audits.

Note 7 - Related party transactions

The Organization is related to Jewish Association for Services for the Aged ("JASA") as they are both controlled by the JASA Corporation through the same Board of Trustees and management. The Organization is a participant in a general insurance plan, including health insurance, with JASA sponsored by the UJA-Federation. Health insurance and other employee benefits for the years ended June 30, 2025 and 2024, respectively, amounted to $480,210 and $553,394.

Certain JASA administrative employees are shared with the Organization. The Organization reimburses JASA for these employees' salaries and related expenses, which amounted to $296,833 and $329,640 for the years ended June 30, 2025 and 2024, respectively.

JASA provides management support services to the Organization under contract. Fees for these services amounted to $1,558,159 and $1,485,048 for the years ended June 30, 2025 and 2024, respectively.

As of June 30, 2025 and 2024, $4,568,135 and $3,172,482, respectively, are due to JASA. This amount is included in the due to related parties on the statements of financial position.

On November 21, 2016, the Organization entered into a Letter of Understanding with JASA to sublease office space from JASA. The lease term commenced on November 21, 2016 and terminates on May 31, 2032. During the year ended June 30, 2023, the sublease payments were modified from July 1, 2022 through the end of the lease term. See Note 11 for additional disclosures related to the lease commitment.

Note 8 - 401(k) retirement plan

For administrative staff, the Organization sponsors a tax-qualified, defined-contribution pension plan under Section 401(k) of the Internal Revenue Code. Eligible employees can elect to invest a pretax contribution up to 20% of their salary to a maximum allowed under the Internal Revenue Code. Investments are participant-directed and accumulated on a tax-deferred basis with interest until withdrawn. Effective July 1, 2019, the Plan was amended to allow a discretionary profit-sharing contributions to the Plan. For the years ended June 30, 2025 and 2024, the employer's discretionary profit-sharing contribution was 3% of the employee's eligible compensation. For the years ended June 30, 2025 and 2024, the employer's discretionary profit-sharing contribution was $54,467 and $37,537, respectively.

Note 9 - Pension plan

For the unionized home care aides, the Organization is a participant in a multi-employer pension plan. The District Council 37, Local 389 Home Care Employees Pension Fund (the "Fund") is a noncontributory, multi-employer defined benefit pension fund that was established as part of a collective bargaining agreement. The Organization contributes .455 per billable work hour for the aides. The risks of participating in multi-employer plans are different from single-employer plans in the following aspects:

- Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer stops contribution to the multi-employer plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- If one of the participating employers' petitions to stop participating in the multi-employer plan, such employer may be required to pay the plan a withdrawal liability based on the funded status of the plan.

The Fund is designed to provide normal retirement, early retirement, and vested pension benefits for its members including the eligible employees of the Organization. Benefits are calculated utilizing specified percentages with the plan document.

The following table discloses the most recent funded status of the Fund, as of January 1, 2024 and 2023 (the dates of the latest actuarial valuation), inclusive of the fair value of plan assets as of December 31, 2024 and 2023, respectively:

Valuation date	EIN/ pension plan number	Fair value of plan assets	Actuarial present value of accumulated plan benefits	Total contributions	Funded status	Zone status
January 1, 2024	EIN 13-698650 Plan No. 001	$ 65,722,613	$ 83,837,810	$ 880,995	78.40%	Critical and declining
January 1, 2023	EIN 13-698650 Plan No. 001	$ 66,917,756	$ 81,425,820	$ 934,839	82.18%	Critical and declining

The Organization is not required to file an annual zone certification under the Pension Protection Act of 2006 and disclosures concerning a financial improvement plan or rehabilitation plan are not applicable, as an improvement plan is pending. The Fund is at 78.39% and 72.52% funded using the most recent financial information as of the Fund's years ended December 31, 2024 and 2023, respectively.

The Organization's contributions to the Fund for the years ended June 30, 2025 and 2024 were $434,930 and $435,698, respectively. The Organization's contributions to the Fund represented more than 5% of total contributions to the Fund for the years ended December 31, 2024 and 2023.

Note 10 - Workers' compensation

The Organization has a retrospective plan for workers' compensation coverage for its home care workers. The premiums for this plan are adjustable based on actual payroll expense recorded. Per annual audits, the Organization may be required to pay additional premiums or may be refunded excess premiums paid. The Organization does not anticipate these settlement amounts to materially affect the Organization's financial position or results of operations.

Note 11 - Leases

The Organization subleases building space used in its operations from its affiliate JASA (see Note 7). All contracts that implicitly or explicitly involve property and equipment are evaluated to determine whether they are or contain a lease.

At lease commencement, the Organization recognizes a lease liability, which is measured at the present value of future lease payments, and a corresponding right-of-use asset equal to the lease obligation, adjusted for prepaid lease costs, initial direct costs, and lease incentives. The Organization has elected and applies the practical expedient available to lessees to combine nonlease components with their related lease components and account for them as a single combined lease component for its lease. The Organization remeasures its lease liability and right-of-use asset whenever there is a change to the lease term and/or there is a change in the amount of future lease payments, but only when such modification does not qualify to be accounted for as a separate contract.

The Organization determines an appropriate discount rate to apply when determining the present value of the remaining lease payments for purposes of measuring or remeasuring lease liabilities. As the rate implicit in the lease is generally not readily determinable with respect to its office lease, the Organization elected to use a risk-free rate instead of its incremental borrowing rate as the discount rate. The Organization's risk-free rate, which is determined at either lease commencement or when a lease obligation is remeasured, is the rate on U.S. government securities over a period commensurate with the lease term.

For accounting purposes, the Organization's leases commence on the earlier of (i) the date upon which the Organization obtains control of the underlying asset and (ii) the contractual effective date of a lease. Lease commencement for the Organization's lease coincides with the contractual effective date. The Organization's lease has a minimum base term with a renewal option or fixed term with an early termination option. Such renewal and early termination options are exercisable at the option of the Organization and, when exercised, usually provide for rental payments during the extension period at then current market rates or at pre-determined rental amounts.

Unless the Organization determines that it is reasonably certain that the term of a lease will be extended, such as through the exercise of a renewal option or nonexercise of an early termination option, the term of a lease begins at lease commencement and spans for the duration of the minimum noncancellable contractual term. When the exercise of a renewal option or nonexercise of an early termination option is reasonably certain, the lease term is measured as ending at the end of the renewal period or on the date an early termination may be exercised.

The Organization includes variable rental payments based on a rate or an index such as the Consumer Price Index in its measurement of lease payments based on the rate or index in effect at lease commencement. Other types of variable lease payments are expensed as incurred.

Leases involving real estate

The Organization subleases office space under a 15.5-year lease agreement expiring in May 2032, which has been incorporated into its measurement of the related right-of-use asset and lease liability. The office lease requires reimbursement of real estate taxes and other charges.

Rental payments on this lease provides for fixed minimum payments that increase over the lease term at predetermined amounts. Rent expense is recognized using the straight-line method over the term of the lease. Variable rental payments for taxes and other charges are recognized as occupancy expenses when incurred.

Financial information

The following provides information about the Organization's right-of-use asset and lease liability for its operating lease as of June 30, 2025 and 2024:

	Statements of Financial Position Classification	2025	2024
Right-of-use asset			
Operating lease	Operating right-of-use asset	$ 1,928,044	$ 2,164,150
Lease liability			
Operating lease	Operating lease liability, current	$ 276,949	$ 260,758
Operating lease	Operating lease liability, noncurrent	2,101,252	2,369,259
Total lease liability		$ 2,378,201	$ 2,630,017

The components of the Organization's lease costs for its office space for the years ended June 30, 2025 and 2024 are as follows:

	Statements of Functional Expense Classification	2025	2024
Rent expense	Occupancy	$ 316,968	$ 314,499
Variable costs	Occupancy	55,688	57,572
Net operating lease cost		$ 372,656	$ 372,071

The weighted average remaining lease term and weighted average discount rate for the Organization's leases as of June 30, 2025 and 2024 are as follows:

	2025	2024
Weighted average remaining term (in years)	6.9	7.9
Weighted average discount rate (1)	2.88%	2.88%

(1) The Organization has elected to use the risk-free rate as the discount rate for its lease involving office space. The Organization uses the rate on U.S. government securities for the period comparable with the lease term as the risk-free rate.

The annual maturity analysis of the Organization's lease obligation as of June 30, 2025 is as follows:

2026	$	340,996
2027		350,935
2028		375,270
2029		384,652
2030		394,268
Thereafter		783,044
Total lease payments		2,629,165
Less interest		(250,964)
Present value of lease liability		2,378,201
Less current portion of lease liability		276,949
Noncurrent portion of lease liability	$	2,101,252

Note 12 - Contingencies

The healthcare industry is subject to voluminous and complex laws and regulations of federal, state and local governments. In addition, the contracts the Organization has with commercial payors also provide for retroactive audit and review of claims. Compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government healthcare program participation requirements, reimbursement laws and regulations, anti-kickback and anti-referral laws and false claims prohibitions.

The Organization has cash set aside for the terminated HRA program. The amount in the liability due to HRA reflects the result of the HRA audits through June 30, 2012, as well as the estimated amounts determined by the Organization for the fiscal years through June 30, 2025 and 2024. Management's estimate of this liability could change based upon future HRA audits (see Note 6).

The Organization is a defendant in a legal action in the normal course of its operations. The final outcome of such action cannot currently be determined and the Organization has, therefore, not accrued for additional expenditures, or loss contingencies, related to the matter as of June 30, 2025.

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