

Report of Independent Auditors and
Consolidated Financial Statements with
Supplementary Information

**Asian Community Center of
Sacramento Valley, Inc.,
dba ACC Senior Services and Subsidiary**

Period from January 1, 2025 to June 30, 2025

Table of Contents

	Page
Report of Independent Auditors	1
Consolidated Financial Statements	
Consolidated Statement of Financial Position	5
Consolidated Statement of Activities and Changes in Net Assets	6
Consolidated Statement of Functional Expenses	7
Consolidated Statement of Cash Flows	8
Notes to Consolidated Financial Statements	9
Supplementary Information	
Consolidating Statement of Financial Position	29
Consolidating Statement of Activities and Changes in Net Assets	31

Report of Independent Auditors

The Audit Committee and Board of Directors
Asian Community Center of Sacramento Valley, Inc., dba ACC Senior Services and Subsidiary

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Asian Community Center of Sacramento Valley, Inc., dba ACC Senior Services and Subsidiary (“Organization”), which comprise the consolidated statement of financial position for the six-month period ended June 30, 2025, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the six-month period then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2025, and the results of their operations and their cash flows for the six-month period then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Consolidating Statement of Financial Position and Consolidating Statement of Activities and Changes in Net Assets are presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Baker Tilly US, LLP

Sacramento, California
April 30, 2026

Consolidated Financial Statements

ACC Senior Services and Subsidiary
Consolidated Statement of Financial Position
June 30, 2025

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 3,634,877
Assets limited as to use	2,181,532
Current portion of investments	3,878,666
Receivables	
Patient care, net	1,998,089
Grants	6,225,022
Other	26,173
Prepaid expenses	695,915
Total current assets	18,640,274

NONCURRENT ASSETS

Patient trust fund	3,826
Right-of-use asset – operating lease	112,887
Property and equipment, net	39,463,936
Total noncurrent assets	39,580,649
Total assets	\$ 58,220,923

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$ 5,260,281
Deferred revenue	107,774
Resident deposits liability	64,434
Current portion of lease liability – operating lease	56,987
Current portion of accrued legal liabilities	516,400
Current portion of long-term debt	1,515,958
Total current liabilities	7,521,834

NONCURRENT LIABILITIES

Patient trust fund payable	3,826
Lease liability – operating lease, net of current portion	59,368
Accrued legal liabilities, net of current portion	1,800,000
Long-term debt, net of current portion	35,603,796
Total noncurrent liabilities	37,466,990
Total liabilities	44,988,824

NET ASSETS

Without donor restrictions	12,685,620
With donor restrictions	546,479
Total net assets	13,232,099
Total liabilities and net assets	\$ 58,220,923

See accompanying notes.

ACC Senior Services and Subsidiary
Consolidated Statement of Activities and Changes in Net Assets
For the Period from January 1, 2025 to June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Patient care, net	\$ 9,080,128	\$ -	\$ 9,080,128
Contracts and grants revenue	5,024,021	-	5,024,021
Contributions and other support	1,227,784	8,020	1,235,804
Rental income	3,078,501	-	3,078,501
Program revenue	2,799,186	-	2,799,186
In-kind – non-financial donations	756,316	-	756,316
Other revenue	1,874,142	-	1,874,142
Net assets released from restrictions	127,549	(127,549)	-
Total revenue and support	<u>23,967,627</u>	<u>(119,529)</u>	<u>23,848,098</u>
EXPENSES			
Programs	19,366,405	-	19,366,405
Management, general, and administrative	2,434,027	-	2,434,027
Fundraising	241,266	-	241,266
Total expenses	<u>22,041,698</u>	<u>-</u>	<u>22,041,698</u>
INCOME (LOSS) FROM OPERATIONS	1,925,929	(119,529)	1,806,400
OTHER INCOME (LOSS)			
Investment income, net	309,306	-	309,306
Loss on sale of property and equipment	(518,568)	-	(518,568)
Total other loss	<u>(209,262)</u>	<u>-</u>	<u>(209,262)</u>
CHANGES IN NET ASSETS	1,716,667	(119,529)	1,597,138
NET ASSETS, beginning of year	<u>10,968,953</u>	<u>666,008</u>	<u>11,634,961</u>
NET ASSETS, end of year	<u>\$ 12,685,620</u>	<u>\$ 546,479</u>	<u>\$ 13,232,099</u>

See accompanying notes.

ACC Senior Services and Subsidiary
Consolidated Statement of Functional Expenses
For the Period from January 1, 2025 to June 30, 2025

	<u>Programs</u>	<u>Management, General, and Administrative</u>	<u>Fundraising</u>	<u>Totals</u>
Salaries and benefits	\$ 9,649,178	\$ 1,019,479	\$ 133,183	\$ 10,801,840
Supplies	2,719,916	26,317	14,509	2,760,742
Purchased services	2,011,751	100,996	13,885	2,126,632
Depreciation	855,741	121,319	-	977,060
In-kind materials	49,500	-	-	49,500
In-kind use of vans, repairs, and maintenance services	37,247	-	-	37,247
In-kind transportation and caregiver support services	23,122	-	-	23,122
In-kind home delivered services	646,447	-	-	646,447
Interest	795,607	28,832	-	824,439
Utilities	477,627	56,921	963	535,511
Repairs and maintenance	376,721	36,464	149	413,334
Insurance and taxes	784,864	135,876	2,240	922,980
Professional fees	147,160	758,489	406	906,055
Lease and rental	44,130	11,463	690	56,283
Dues and subscriptions	35,590	4,532	250	40,372
Events and entertainment	-	12,642	24,728	37,370
Food and dietary	431,371	-	-	431,371
Marketing and advertising	91,941	2,861	45,919	140,721
Office expenses	36,526	6,284	1,099	43,909
Resident care supplies	26,481	-	-	26,481
Travel and transportation	9,092	34,207	21	43,320
Volunteer expense	46,246	-	-	46,246
Miscellaneous expense	70,147	77,345	3,224	150,716
	<u>\$ 19,366,405</u>	<u>\$ 2,434,027</u>	<u>\$ 241,266</u>	<u>\$ 22,041,698</u>

See accompanying notes.

ACC Senior Services and Subsidiary
Consolidated Statement of Cash Flows
For the Period from January 1, 2025 to June 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES	
Changes in net assets	\$ 1,597,138
Adjustments to reconcile changes in net assets to net cash provided by operating activities	
Depreciation	977,060
Amortization of debt issuance costs	47,944
Amortization of right-of-use asset – operating lease	28,561
Net unrealized gains on investments	(309,306)
Loss on sale of property and equipment	518,568
Changes in assets and liabilities	
Receivables	(611,867)
Prepaid expenses	483,492
Accounts payable and accrued expenses	(511,360)
Lease liability – operating lease	(26,680)
Deferred revenue	(8,826)
Resident deposits liability	3,000
Patient trust fund payable	3,057
	<u>2,207,181</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(1,396,015)
Proceeds from sale of property and equipment	545,000
Purchase of property and equipment	<u>(504,917)</u>
	<u>(1,355,932)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Principal payments on long-term debt	<u>(1,561,046)</u>
	<u>(1,561,046)</u>
Net decrease in cash, assets limited as to use, security deposits, and patient trust fund	(709,797)
CASH AND CASH EQUIVALENTS, ASSETS LIMITED AS TO USE, SECURITY DEPOSITS, AND PATIENT TRUST FUND beginning of year	
	<u>6,530,032</u>
CASH AND CASH EQUIVALENTS, ASSETS LIMITED AS TO USE, SECURITY DEPOSITS, AND PATIENT TRUST FUND end of year	
	<u><u>\$ 5,820,235</u></u>
Supplemental disclosure	
Cash paid for interest	<u>\$ 1,210,603</u>
In-kind materials	<u>\$ 49,500</u>
In-kind use of vans, repairs, and maintenance services	<u>\$ 37,247</u>
In-kind transportation and caregiver support services	<u>\$ 23,122</u>
In-kind home-delivered services	<u>\$ 646,447</u>

See accompanying notes.

ACC Senior Services and Subsidiary

Notes to Consolidated Financial Statements

Note 1 – Organization

Asian Community Center of Sacramento Valley, Inc., dba ACC Senior Services (ACC), operates a 99-bed skilled nursing facility (Care Center), a senior center, a senior living community offering independent and assisted living (Greenhaven Terrace), a senior living community offering assisted living and memory care services (Maple Tree Village) and provides various services to the community in Sacramento, California. The Organization was incorporated in April 1972 as a California public benefit corporation.

Meals on Wheels by ACC (MoW) was incorporated on April 5, 2010, as a California public benefit corporation and began operations shortly thereafter. MoW is a wholly owned subsidiary of the Organization and provides congregate and home-delivered meals to eligible seniors in Sacramento County, California.

The Organization's financial statements are presented as of and for the period ended June 30, 2025. Subsequent to this period, the Organization submitted a request to the IRS to change its fiscal year-end from December 31 to June 30 in November 2025. This change is intended to better align the Organization's financial reporting with its operational and funding cycles.

Note 2 – Summary of Significant Accounting Policies

Principles of consolidation – The financial statements of ACC and MoW (hereinafter referred to collectively as the Organization) have been consolidated since MoW is a wholly owned subsidiary of ACC. All significant intercompany and intracompany transactions have been eliminated in the consolidated financial statements.

Basis of presentation – The consolidated financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), which require the Organization to report information regarding its consolidated financial position and consolidated activities according to the following net asset classification:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and board of directors. As of June 30, 2025, the board of directors has appropriated to set aside funds of \$1,116,249 as board-designated net assets (Note 7).

Net assets with donor restrictions: 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 consolidated statement of activities and changes in net assets.

ACC Senior Services and Subsidiary Notes to Consolidated Financial Statements

Cash and cash equivalents – Cash and cash equivalents consist of cash instruments with original maturities of three months or fewer at the acquisition date. As of the June 30, 2025, cash and cash equivalents consist of money market funds.

Assets limited as to use – The Organization is contractually required to accumulate or maintain funds to meet the interest, sinking funds, and other requirements on its long-term debt.

The following table provides a reconciliation of cash and cash equivalents, assets limited as to use, security deposits, and patient trust fund as reported within the consolidated statement of financial position that sum to the total of the same amounts shown in the consolidated statement of cash flows:

	2025
Cash and cash equivalents	\$ 3,634,877
Patient trust fund	3,826
Assets limited as to use	2,181,532
Total cash and cash equivalents, assets limited as to use, security deposits, and patient trust fund shown in the consolidated statement of cash flows	\$ 5,820,235

Property and equipment – Property and equipment are stated at cost or, if donated, at the approximate fair market value at the date of donation. Any item with a useful life greater than one year and a purchase price of \$1,500 or greater is capitalized. Depreciation is provided for over the useful lives of the assets of 3 to 33 years using the straight-line method.

Impairment of long-lived assets – The Organization evaluates its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss is recognized when the estimated undiscounted future cash flows from the assets are less than the carrying value of the assets. Assets to be disposed are reported at the lower of their carrying amount or fair value, less cost to sell. Management is of the opinion that the carrying amount of the Organization’s long-lived assets does not exceed their estimated recoverable amount for the period from January 1, 2025 to June 30, 2025.

Receivables – Receivables include billings for patient care at the nursing home, grants receivable, and other receivables.

Grants receivable are unconditional and represent expenditures for which reimbursement has been requested but not yet received prior to the period from January 1, 2025 to June 30, 2025. Grant revenue is recognized when services are performed and related reimbursable expenses are incurred, in accordance with the terms of applicable grant awards. The Organization considers grants receivable to be fully collectible; accordingly, no allowance for doubtful accounts is considered necessary for the period from January 1, 2025 to June 30, 2025.

As of June 30, 2025, two grant programs accounted for approximately 86% of the Organization’s grants receivable. Two grant programs accounted for approximately 81% of the Organization’s grants revenue.

ACC Senior Services and Subsidiary Notes to Consolidated Financial Statements

Patient care receivables are recorded at amounts that reflect the consideration the Organization expects to receive in exchange for providing patient services. To evaluate the collectability of these accounts, the Organization regularly analyzes its historical data, current expectations, and future forecasts. It also identifies and reviews trends for each of its major payor sources of revenue to estimate the appropriate implicit price concessions reflected in the accounts receivable

For patient care receivables associated with services provided to patients with third-party coverage, the Organization assesses the collectability of these receivables and estimates expected credit losses based on historical data, current conditions, and reasonable forecasts. The Organization analyzes contractually due amounts and explicit price concessions, providing additional implicit price concessions, as necessary. This assessment takes into account historical collection patterns, current conditions, and reasonable forecasts for deductibles and copayments on accounts for which the third-party payor has not yet paid, as well as for remaining payor balances.

For patient care receivables associated with self-pay patients, including those with deductible and copayment balances due for which third-party coverage exists for part of the bill, the Organization records a significant implicit price concession in the period of service based on its past experience, current conditions, and reasonable forecasts. This assessment indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or discounted rates if negotiated or provided by policy) and the amounts actually collected after all reasonable collection efforts have been exhausted are recorded as a reduction in patient care accounts receivable.

The mix of receivables from patients and third-party payors was as follows as of June 30, 2025:

Managed care	38%
Medi-Cal	38%
Medicare	11%
Private	13%
	100%

The receivable balance from patients and third-party payors was as follows as of June 30, 2025:

Managed care	\$ 780,898
Medi-Cal	763,151
Medicare	236,216
Private	217,823
	(36,541)
Allowance for credit loss	(36,541)
	\$ 1,961,547

Accounts receivable totaled \$7,637,417, and the allowance for credit losses was \$63,489 as of January 1, 2025. The Organization estimates credit losses based on historical experience, current conditions, and reasonable and supportable forecasts.

ACC Senior Services and Subsidiary Notes to Consolidated Financial Statements

Other receivables – Other receivables primarily consist of amounts due from grants and accounts receivable related to MoW, which arise from services provided. Additionally, this balance includes amounts related to the employee retention tax credit applied for and received by the Organization. For further details, refer to the ‘Other tax’ disclosure section.

Other tax – The Organization has recognized employee retention tax credits (ERC) under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and subsequent legislation. As of June 30, 2025, the Organization recorded a receivable of approximately \$1,465,000 related to the ERC for the third quarter of 2021. This amount was recognized as revenue in 2025, as the Organization determined that it had met the eligibility requirements and that collection was probable. The ERC related to the third quarter of 2021 was collected in January 2026.

ERC amounts related to the first and second quarters of 2021, totaling approximately \$2,800,000, were recognized as revenue in 2024 and remained outstanding as of June 30, 2025. These amounts were subsequently collected in August 2025.

The CARES Act funds received are subject to audit from the Internal Revenue Service (IRS), which may result in the Organization refunding the funds, plus related interest and penalties, for any time period for which the Organization does not meet the qualifications of the credit. As of June 30, 2025, the Organization is unable to estimate the amount of interest and penalties that could be potentially due if funds are returned.

Deferred revenue – Revenue pertaining to certain grants where cash was already received is deferred and recognized in the period in which the Organization renders services under the grant.

Advertising costs – Advertising costs are expensed as they are incurred. The Organization expended \$140,721 for advertising for the period from January 1, 2025 to June 30, 2025.

Revenue recognition – Contributions and other support received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities and changes in net assets as net assets released from restrictions.

Grant revenue is recognized as the Organization performs the contracted services or incurs outlays eligible for reimbursement under the grant agreements. The Organization does not record grant revenue if the Organization must overcome a barrier for payment. As of June 30, 2025, there were no conditional grants. All grants are considered to be available for use unless specifically restricted by the donor for a specified purpose or time, in which case they are treated as restricted grants. All donor-restricted grants are reported as increases in net assets with donor restrictions, depending on the nature of the restriction. 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 consolidated statement of activities and changes in net assets as net assets released from restrictions.

ACC Senior Services and Subsidiary Notes to Consolidated Financial Statements

Rental income and program revenue are reported at the amount that reflects the consideration to which the Organization expects to be entitled to in exchange for the services provided. In accordance with resident agreements, the Organization provides independent and assisted senior living services to residents for a stated monthly fee.

Patient care revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing patient services. These amounts are due from patients, third-party payors, and others. The Organization bills the patients and third-party payors subsequent to when patient services obligations are performed. Revenue is recognized as performance obligations, which include supplies, drugs, equipment, and services necessary to provide a designated level of care, are satisfied.

Performance obligations are determined based on the nature of the services provided by the Organization. Revenue for performance obligations satisfied at a point in 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.

Resident deposits are preadmission (community) fees collected from residents upon admission. These fees are used to cover administrative and onboarding costs, including assessments and preparation of living accommodations. A portion of the fees is nonrefundable and recognized as revenue, while the refundable portion is recorded as a liability. Refund amounts vary based on the length of residency in accordance with the terms of the residency agreement.

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 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 determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments or explicit price concessions provided to third-party payors, discounts, or implicit price concessions provided to self-pay patients. The Organization determines its estimates of contractual adjustments or explicit price concessions and discounts or implicit price concessions based on contractual agreements, its discount policies, and historical experience. The Organization determines its estimate of implicit price concessions based on its historical collection experience with this class of patients.

The mix of net patient care revenue from patients and third-party payors is as follows for the period from January 1, 2025 to June 30, 2025:

Medicare	\$ 1,590,103
Medi-Cal	3,247,765
Private	1,068,408
Managed care	3,127,078
Other	46,774
	<hr/>
	\$ 9,080,128
	<hr/> <hr/>

ACC Senior Services and Subsidiary Notes to Consolidated Financial Statements

In-kind donations – Donated goods and services are recorded as in-kind donations at their estimated fair values at the date of donation. It is the Organization’s policy to recognize contributed professional services if the services received create or enhance 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.

Performance indicator – Excess of revenues and other support over expenses in the accompanying consolidated statement of activities and changes in net assets is the performance indicator. Excess of revenues and other support over expenses includes all changes in net assets without donor restrictions, other than investment income (loss), and net loss on sale of property and equipment.

Income taxes – The Organization and MoW are exempt from federal and state income taxes under Internal Revenue Code (IRC) Section 501(c)(3) and California Revenue and Tax Code 23701d.

ASC 740, *Income Taxes*, prescribes a recognition threshold and measurement attribute for financial statement disclosure of tax positions taken or expected to be taken on a tax return. Recognition of a tax position is determined when it is more likely than not that a tax position will be sustained on examination by the taxing authorities, including resolution of any related appeals or litigation processes. A tax position that meets the more-likely-than-not recognition threshold is measured at the largest amount of benefit that is more than 50% likely to be realized upon ultimate settlement with a taxing authority. Management believes that the Organization has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Any interest or penalties assessed to the Organization are recorded in operating expenses. No interest or penalties from federal or state tax authorities are recorded in the accompanying consolidated financial statements.

Functional expenses – The costs of providing programs and other activities have been summarized on a functional basis in the consolidated statement of activities and changes in net assets. Management has allocated the costs based on estimates of employees’ time incurred and on resource usage.

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

Note 3 – Liquidity and Availability of Resources

The Organization provides a continuum of health, housing, and community services for older adults in Sacramento County, California. The Organization has had a successful track record, both programmatically and financially, in providing these services on a fee-for-service basis. Although the Organization is a “not-for-profit” organization, it operates on a business model that recognizes the need to generate sufficient revenue from its array of services to meet all operating and debt obligations while also providing sufficient funds for capital and growth needs. Less than 10% of the Organization’s revenue is in the form of contributions.

ACC Senior Services and Subsidiary Notes to Consolidated Financial Statements

The Organization has maintained investment accounts with two institutional money managers in order to have available reserves to fund future cash needs. As part of its liquidity management, the Organization invests cash in excess of short-term requirements back into its investment accounts.

Financial assets available for general expenditures, that is, without donor-imposed restriction or other restrictions limiting their use, within one year of the consolidated statements of financial position consisted of the following as of June 30, 2025:

Cash and equivalents	\$ 3,634,877
Current portion of investments	3,878,666
Patient care receivables, net	1,998,089
Grant receivables	6,225,022
Other receivables	<u>26,173</u>
 Net financial assets available within one year	 15,762,827
 Less amounts unavailable for general expenditures	
Required to satisfy donor restrictions	(546,479)
Required to satisfy board designations	<u>(1,116,249)</u>
 Net financial assets available to meet cash needs for general expenditures within one year	 <u>\$ 14,100,099</u>

As of June 30, 2025, the Organization has working capital of \$11,118,440, calculated as current assets less current liabilities; the average days of cash on hand (based upon normal expenditures) as of June 30, 2025, is 63 days, calculated as cash and cash equivalents divided by expenses less depreciation expense.

Note 4 – Investments and Fair Value Measurements

The Organization uses 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 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 – Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level 2 – Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair value measurement falls is based on the lowest-level input that is significant to the fair value measurement in its entirety.

ACC Senior Services and Subsidiary Notes to Consolidated Financial Statements

The fair values of the financial instruments as of June 30, 2025, represent management's best estimates of the amounts that would be received to sell those assets or that would be paid to transfer those liabilities in an orderly transaction between market participants at that date. Those fair value measurements maximize the use of observable inputs. However, in situations where there is little, if any, market activity for the asset or liability at the measurement date, the fair value measurement reflects management's own judgments about the assumptions that market participants would use in pricing the asset or liability. Those judgments are developed by management based on the best information available in the circumstances.

For the period from January 1, 2025 to June 30, 2025, there was no activity in Level 3 investments.

There were no assets or liabilities not stated at fair value, or instruments valued at fair value on a nonrecurring basis that required disclosure, as of June 30, 2025.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

Registered investment companies – Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the United States (U.S.) Securities and Exchange Commission (SEC). These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

Common stock – Valued at the closing price reported on the active market on which the individual securities are traded.

U.S. Treasury Notes – Valued based on matrices or models from reputable pricing vendors and may be determined by factors which include but are not limited to market quotations, yields, maturities, call features, ratings, institutional size trading in similar groups of securities, and developments related to specific securities.

Exchange-traded funds and real estate investment trusts – Valued at quoted market prices in active markets.

ACC Senior Services and Subsidiary Notes to Consolidated Financial Statements

The following table summarizes the investments as of June 30, 2025, based on the inputs used to value them:

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Registered investment companies	\$ 11,305	\$ 11,305	\$ -	\$ -
Common stock	100,673	100,673	-	-
Exchange-traded funds	3,762,385	3,762,385	-	-
Real estate investment trusts	4,303	4,303	-	-
Total investments	\$ 3,878,666	\$ 3,878,666	\$ -	\$ -

As of June 30, 2025, the Organization's investments has a maturity due in one year or less. Accordingly, there are no investments with contractual maturities beyond one year. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without penalties.

Note 5 – Property and Equipment

Property and equipment consisted of the following as of June 30, 2025:

Land	\$ 6,766,899
Construction in progress	718,504
Land improvements	8,550,007
Buildings and improvements	46,590,129
Equipment	2,991,736
Vehicles	647,154
	<u>66,264,429</u>
Less accumulated depreciation	<u>(26,800,493)</u>
Property and equipment, net	<u>\$ 39,463,936</u>

Depreciation expense was \$977,059 for the period from January 1, 2025 to June 30, 2025. In addition, the Organization recognized a loss on the disposal of property and equipment of \$518,568 for the period from January 1, 2025 to June 30, 2025.

Note 6 – Long-Term Debt

Greenhaven Terrace revenue bond – In November 2016, the Organization refinanced and issued \$16,080,000 of Insured Refunding Revenue Series 2016 Bonds secured by the related land and building and bearing interest at rates between 3% and 5% per annum. The bonds were issued at a premium of \$829,527. As of June 30, 2025, the outstanding principal balance on the bonds was \$11,215,000. The bonds mature on April 1, 2037.

ACC Senior Services and Subsidiary Notes to Consolidated Financial Statements

The loan agreement requires the Organization to comply with certain restrictive covenants including maintaining a Net Income Available for Debt Service ratio of not less than 1.25 and submitting audited consolidated financial statements within 120 days after the end of each fiscal year. For the period from January 1, 2025 to June 30, 2025, the Organization met the Net Income Available for Debt Service ratio requirement. Additionally, for the period from January 1, 2025 to June 30, 2025, the Organization did not submit audited consolidated financial statements within 120 days after year-end. The Organization received waivers from the bank for the covenant requirements as of June 30, 2025.

Mortgage notes payable – On December 17, 2012, the Organization purchased a building (Organization Campus) located in Sacramento, California for \$3,000,000. The building was financed with a bank loan of \$2,185,807. The loan is payable in monthly principal and interest installments of \$13,438 over 20 years and bears a fixed interest rate of 4.03% per annum. The loan matures on April 5, 2035. The outstanding principal balance on the mortgage loan was \$1,281,420 as of June 30, 2025.

The loan agreement requires the Organization to comply with certain restrictive covenants including maintaining a ratio of current assets to current liabilities of not less than 1.50 to 1, a Net Income Available for Debt Service ratio of not less than 1.25, and 30 days of cash on hand and submitting audited consolidated financial statements within 120 days after the end of each fiscal year. For the period from January 1, 2025 to June 30, 2025, the Organization met the current assets to current liabilities ratio and 30 days' cash on hand requirements. For the period from January 1, 2025 to June 30, 2025, the Organization did not submit audited consolidated financial statements within 120 days after year end; however, the bank has waived the requirement and not taken action against the Organization. For the period from January 1, 2025 to June 30, 2025, the Organization met the Net Income Available for Debt Service ratio requirement.

The Organization has an \$800,000 mortgage note payable, secured by land, to the California Department of Housing and Community Development. A repayment schedule dated February 16, 2021, includes a modified payment schedule whereby a \$115,000 installment payment is due on or before August 30, 2021, and the remainder is due on or before February 1, 2022, or upon receipt of construction of permanent financing. The note accrues simple interest at a rate of 3% per annum. As of June 30, 2025, the Organization fully repaid and extinguished the note.

Maple Tree revenue bond (MTRB) – On July 1, 2018, the Organization entered into a \$26,915,000 loan agreement with the California Municipal Finance Authority (CMFA) to finance the construction of the Maple Tree Court Assisted Living and Memory Care Center. CMFA issued insured revenue bonds at a premium of \$1,760,104 that was received by the Organization. The MTRB is payable in annual principal payments of varying specified amounts over 30 years beginning on April 1, 2022. The MTRB bears interest rates that vary from 3% to 5% per annum as specified in the terms of the agreement. For the period from January 1, 2025 to June 30, 2025, the interest rate is 5% per annum. The MTRB matures on April 1, 2048. As of June 30, 2025, the outstanding principal balance on the MTRB was \$24,550,000.

The loan agreement requires the Organization to comply with certain restrictive covenants including maintaining a ratio of current assets to current liabilities of not less than 1.50 to 1 and submitting audited consolidated financial statements within 120 days after the end of each fiscal year. For the period from January 1, 2025 to June 30, 2025, the Organization met the current assets to current liabilities ratio covenant requirement, but did not submit audited consolidated financial statements within 120 days. The Organization received a waiver from the bank.

ACC Senior Services and Subsidiary Notes to Consolidated Financial Statements

Scheduled annual principal payments for long-term debt are as follows:

Years Ending June 30,	
2026	\$ 1,515,958
2027	1,590,578
2028	1,670,279
2029	1,750,397
2030	1,835,618
Thereafter	<u>28,683,591</u>
	37,046,421
Plus unamortized premium	1,824,366
Less unamortized bond issuance costs	<u>(1,751,033)</u>
	37,119,754
Total long-term debt	37,119,754
Less current portion of long-term debt	<u>(1,515,958)</u>
	35,603,796
Total long-term debt, net of current portion	<u><u>\$ 35,603,796</u></u>

Bond issuance costs, net of accumulated amortization of \$1,751,033 for the period from January 1, 2025 to June 30, 2025, are amortized using the straight-line method and are recorded as a reduction to the bond payable.

ACC Senior Services and Subsidiary Notes to Consolidated Financial Statements

Note 7 – Board-Designated Net Assets

As of June 30, 2025, the Organization's board-designated net assets totaled \$1,116,249 and consist of a depreciation reserve. This reserve was established by the Board of Directors to fund future capital expenditures and replacements of property and equipment. Board-designated net assets are without donor restrictions but have been set aside for specific purposes by the Board and may be re-designated at its discretion.

Note 8 – Net Assets with Donor Restrictions

Net assets with donor restrictions were restricted for the following purposes as of June 30, 2025:

Subject to the passage of time or expenditure
for specified purpose:

General support for future periods	\$ 133,665
Care center modernization fund	43,091
Total subject to the passage of time or expenditure for specified purpose	<u>176,756</u>

Subject to spending policy and appropriation:

Investment in perpetuity (original amount of \$313,000 which, once appropriated, is expendable to support:	
Training programs for nursing home	202,655
Performing arts programs	<u>167,068</u>

Total subject to spending policy and appropriation	<u>369,723</u>
--	----------------

Total net assets with donor restrictions	<u>\$ 546,479</u>
--	-------------------

All net assets with donor restrictions are expected to be released from restriction by June 30, 2034, with the exception of the funds shown as subject to spending policy and appropriation, which are restricted in perpetuity.

Net assets with donor restrictions of \$127,549 were released during the period as a result of satisfying purpose or time restrictions, primarily related to general support for future periods.

ACC Senior Services and Subsidiary Notes to Consolidated Financial Statements

Note 9 – Endowment Funds

The Organization's endowment consists of two donor-restricted funds. As required by GAAP, net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The board of directors of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies the following as restricted net assets: (a) the original value of gifts donated to the endowment; (b) the original value of subsequent gifts to the endowment; and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the funds.

The remaining portion of the donor-restricted endowment funds not classified in net assets with donor restrictions is classified as net assets without donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in determining whether to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund.
- The purposes of the Organization and the donor-restricted endowment fund.
- General economic conditions.
- The possible effect of inflation and deflation.
- The expected total return from income and the appreciation of investments.
- Other resources of the Organization.
- The investment policies of the Organization.

ACC Senior Services and Subsidiary Notes to Consolidated Financial Statements

Endowment investing and spending policies – The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the board of directors, the endowment funds are invested in a manner that is intended to produce stated investment results while assuming a moderate level of investment risk. The Organization’s spending and investment policies work together to achieve this objective.

The investment policy establishes an achievable return objective return through diversification of asset classes. The current long-term return objective is to earn 5% per year, plus the rate of inflation. Actual returns in any given year may vary from this amount. To satisfy its long-term rate of return objectives, the Organization relies on a total-return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater value on equity-based investments to achieve its long-term return objectives within prudent risk parameters.

The spending policy calculates the amount of money annually distributed from the Organization’s various endowed funds for grantmaking and administration. The Organization’s spending policy for donor-restricted endowment funds is governed by the terms of the underlying gift agreements. Certain endowment funds may only be used for specific qualifying expenditures, such as tuition or other program-related costs. Accordingly, amounts are appropriated for expenditure when qualifying expenditures are incurred, consistent with donor intent and applicable law. No amounts were appropriated or released from these endowment funds for the period from January 1, 2025 to June 30, 2025, as no qualifying expenditures were incurred. This is consistent with the Organization’s objective to maintain the purchasing power of endowment assets as well as to provide additional real growth through new gifts and investment return.

As of June 30, 2025, all endowed assets are donor-restricted funds that the Organization must hold in perpetuity. The changes in endowment net assets for the period from January 1, 2025 to June 30, 2025, were as follows:

Endowment net assets, beginning of year	\$ 365,439
Amounts appropriated for expenditure	-
Investment return, net	<u>4,284</u>
Endowment net assets, end of year	<u><u>\$ 369,723</u></u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or the UPMIFA requires the Organization to retain as a fund of perpetual duration. As of June 30, 2025, the donor-restricted endowment funds did not have any deficiencies.

ACC Senior Services and Subsidiary Notes to Consolidated Financial Statements

Note 10 – In-Kind – Nonfinancial Donations

In-kind materials – MoW records the value of donated space at congregate meal sites, and the Organization records the estimated fair market value of donated space used by the transportation and respite programs. For the period from January 1, 2025 to June 30, 2025, in-kind materials totaled \$27,330.

In-kind assets – The Organization’s transportation program receives the use of vans, including related repairs, maintenance, and insurance, which was recognized as donated services at the estimated fair market value. For the period from January 1, 2025 to June 30, 2025, in-kind assets totaled \$60,369.

In-kind services – The Organization uses the services of many volunteers. The two most significant uses of volunteers are for the Organization’s transportation and caregiver support respite programs. The values of these contributed services are reflected based upon the estimated fair market value in the accompanying consolidated financial statements and amounted to \$49,500 for the period from January 1, 2025 to June 30, 2025. For the period from January 1, 2025 to June 30, 2025, the transportation program utilized 28 volunteers with a total of 997 hours, and the caregiver support program utilized 19 volunteers with a total of 1011 hours.

Additionally, a significant portion of MoW’s congregate site and home-delivered meal operations are performed by volunteers. The value of these contributed services is reflected based upon the estimated fair market value in the accompanying consolidated financial statements and amounted to \$619,117 and approximately 20,672 hours during the period from January 1, 2025 to June 30, 2025.

In-kind materials, assets, and services for the period from January 1, 2025 to June 30, 2025, were as follows:

In-kind materials	\$ 49,500
In-kind assets	37,247
In-kind services	<u>669,569</u>
	<u>\$ 756,316</u>

Note 11 – Retirement Plan

The Organization maintains a retirement plan (the Plan) under the provisions of IRC Section 403(b) covering all eligible employees as defined in the plan agreement. The Plan allows for a discretionary employer contribution to be determined annually by the Organization. The Organization accrued \$0 in discretionary employer contributions for the period from January 1, 2025 to June 30, 2025.

ACC Senior Services and Subsidiary

Notes to Consolidated Financial Statements

Note 12 – Concentrations of Credit Risk

Financial instruments that potentially expose the Organization to concentrations of credit risk consist principally of cash and cash equivalents on deposit with financial institutions, the balances of which frequently exceed federally insured limits. Accounts at each financial institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Uninsured deposits as of June 30, 2025, totaled \$3,681,063. The board of directors approves all invested cash in excess of \$100,000 except for the funds held by the trustee.

The funds held by the trustee are held in Treasury Cash Reserves, which are covered by the Security Investment Protection Corporation (SIPC) up to \$250,000. Investments in broker accounts that are not insured by the FDIC are covered by the SIPC up to \$500,000, including a \$250,000 limit for cash amounts.

Note 13 – Commitments and Contingencies

The Organization receives a significant portion of its revenue from various government agencies for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, management believes that any required reimbursements will not be material. However, if a significant reduction in funding from these government agencies occurred, the Organization's ability to maintain and operate its programs would be impaired.

Compliance – The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations can be subject to government review and interpretation, as well as regulatory actions. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of regulations by healthcare providers, which could result in the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. The Organization is subject to such regulatory reviews and, while these reviews may result in repayments and/or civil remedies, management believes, based on its current knowledge and information, that such repayments and/or civil remedies would not have a material effect on the Organization's consolidated financial position.

ACC Senior Services and Subsidiary Notes to Consolidated Financial Statements

Litigation – In the normal course of business, the Organization is, from time to time, subject to allegations that may or do result in litigation. The Organization evaluates such allegations by conducting investigations to determine the validity of each potential claim. Based upon the advice of counsel, management records an estimate of the amount of ultimate expected loss, if any, for each of these matters. Events could occur that would cause the estimate of ultimate loss to differ materially in the near term.

For the period from January 1, 2025 to June 30, 2025, the Organization has accrued legal liabilities of \$516,400 and \$1,800,000 recorded in the current and noncurrent liabilities sections of the statement of financial position, respectively. Included in current liabilities is \$16,400 related to other employment-related legal matters.

The Organization is required to make one installment settlement payment per year starting in 2025 for a total of five installments. The first payment of \$500,000 was made in August 2025. The remaining four installments of \$450,000 per year will be paid annually thereafter from 2026 through 2029.

Industry – The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditations, government healthcare program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Government activity continues with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Violations of these laws and regulations could result in expulsion from government healthcare programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that the Organization is in compliance with fraud and abuse statutes and other applicable government laws and regulations. While no regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions known or unasserted at this time.

Contingencies – Certain contributions and grants require the fulfillment of certain conditions as set forth in contributions and grant agreements. Conditions typically include one or more barriers that must be overcome and are outlined in the related grant agreements. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Organization's management is of the opinion that it has complied with the terms of all grants.

For the period from January 1, 2025 to June 30, 2025, there were no significant outstanding legal actions or claims against the Organization. The Organization maintains various forms of insurance that its management believes are adequate to reduce the exposure to these risks to an acceptable level.

ACC Senior Services and Subsidiary Notes to Consolidated Financial Statements

Note 14 – Leases

Effective June 27, 2020, the Organization entered into a noncancelable operating lease for its Harlin facility through June 30, 2027. The total amount paid for the period from January 1, 2025 to June 30, 2025, was \$29,561.

The lease contains renewal options in one-year increments and requires the Organization to pay all executory costs (property taxes, maintenance, and insurance). The Organization has taken the reasonable certainty of exercising the renewal option into consideration and, if applicable, has recognized the renewal option as part of the right-of-use assets and lease liabilities. There were no new lease additions during the period from January 1, 2025 to June 30, 2025.

For the period from January 1, 2025 to June 30, 2025, total lease expenses incurred by lease type and type of payment were as follows:

Operating lease expense	\$ 29,894
Short-term lease expense	26,389
	66,283
Total lease expense	\$ 56,283

For the period from January 1, 2025 to June 30, 2025, other supplemental quantitative disclosures were as follows:

Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows used for operating leases	\$ (29,568)
Additions to ROU asset obtained in the period from operating leases	\$ -
Weighted-average	
Discount rate	4.25%
Lease term	2.00

For the period from January 1, 2025 to June 30, 2025, the undiscounted future lease payments over the lease term, along with a reconciliation of the undiscounted cash flows to lease liabilities, were as follows:

Years Ending June 30,	
2026	\$ 60,744
2027	60,744
	121,488
Total lease payments	121,488
Less present value discount	(5,133)
	116,355
Lease liability	\$ 116,355

ACC Senior Services and Subsidiary Notes to Consolidated Financial Statements

Note 15 – Subsequent Events

Subsequent events are events or transactions that occur after the consolidated statement of financial position date, but before the consolidated financial statements are issued. The Organization recognizes in the consolidated financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the financial position, including the estimates inherent in the process of preparing the consolidated financial statements. The Organization's consolidated financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the financial position but arose after the financial position date and before the consolidated financial statements were issued.

Management has evaluated subsequent events through April 30, 2026, the date the financial statements were available to be issued. During this period, management identified no events or transactions that would require adjustment to or disclosure in the financial statements, except as disclosed herein.

Supplementary Information

ACC Senior Services and Subsidiary
Consolidating Statement of Financial Position
June 30, 2025

	Asian Community Services	Meals on Wheels by ACC	Eliminations	Total
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 2,210,646	\$ 1,424,231	\$ -	\$ 3,634,877
Assets limited as to use	2,181,532	-	-	2,181,532
Current portion of investments	193,584	3,685,082	-	3,878,666
Receivables				
Patient care, net	1,998,089	-	-	1,998,089
Grants	4,839,679	1,439,456	(54,113)	6,225,022
Other	26,173	-	-	26,173
Intercompany	80,590	-	(80,590)	-
Prepaid expenses	641,121	54,794	-	695,915
Total current assets	12,171,414	6,603,563	(134,703)	18,640,274
NONCURRENT ASSETS				
Patient trust fund	3,826	-	-	3,826
Right-of-use asset – operating lease	-	329,296	(216,409)	112,887
Property and equipment, net	39,392,630	71,306	-	39,463,936
Total assets	\$ 51,567,870	\$ 7,004,165	\$ (351,112)	\$ 58,220,923

See report of independent auditors.

ACC Senior Services
Consolidating Statement of Financial Position
June 30, 2025

	Asian Community Services	Meals on Wheels by ACC	Eliminations	Total
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable and accrued expenses	\$ 4,714,301	\$ 545,980	\$ -	\$ 5,260,281
Intercompany payables	-	134,703	(134,703)	-
Deferred revenue	107,774	-	-	107,774
Resident deposits liability	64,434	-	-	64,434
Current portion of lease liability – operating lease	-	180,414	(123,427)	56,987
Current portion of accrued legal liabilities	516,400	-	-	516,400
Current portion of long-term debt	1,515,958	-	-	1,515,958
Total current liabilities	<u>6,918,867</u>	<u>861,097</u>	<u>(258,130)</u>	<u>7,521,834</u>
NONCURRENT LIABILITIES				
Patient trust fund payable	3,826	-	-	3,826
Lease liability – operating lease, net of current portion	-	188,144	(128,776)	59,368
Accrued legal liabilities	1,800,000	-	-	1,800,000
Long-term debt, net of current portion	35,603,796	-	-	35,603,796
Total noncurrent liabilities	<u>37,407,622</u>	<u>188,144</u>	<u>(128,776)</u>	<u>37,466,990</u>
Total liabilities	<u>44,326,489</u>	<u>1,049,241</u>	<u>(386,906)</u>	<u>44,988,824</u>
Net assets				
Without donor restrictions	6,694,902	5,954,924	35,794	12,685,620
With donor restrictions	546,479	-	-	546,479
Total net assets	<u>7,241,381</u>	<u>5,954,924</u>	<u>35,794</u>	<u>13,232,099</u>
Total liabilities and net assets	<u>\$ 51,567,870</u>	<u>\$ 7,004,165</u>	<u>\$ (351,112)</u>	<u>\$ 58,220,923</u>

See report of independent auditors.

ACC Senior Services and Subsidiary
Consolidating Statement of Activities and Changes in Net Assets
For the Period from January 1, 2025 to June 30, 2025

	Asian Community Center		Meals on Wheels by ACC	Eliminations	Total
	Without Donor Restrictions	With Donor Restrictions			
REVENUE AND SUPPORT					
Patient care, net	\$ 9,080,128	\$ -	\$ -	\$ -	\$ 9,080,128
Contracts and grants revenue	921,102	-	4,102,919	-	5,024,021
Contributions and other support	714,790	-	521,014	-	1,235,804
Rental income	3,123,501	-	-	(45,000)	3,078,501
Program revenue	2,758,943	-	40,243	-	2,799,186
In-kind – non-financial donations	109,869	-	646,447	-	756,316
Management fee	2,363,603	-	-	(2,363,603)	-
Other revenue	1,867,732	-	6,410	-	1,874,142
Net assets released from restrictions	127,549	(127,549)	-	-	-
Total revenue and support	<u>21,067,217</u>	<u>(127,549)</u>	<u>5,317,033</u>	<u>(2,408,603)</u>	<u>23,848,098</u>

See report of independent auditors.

ACC Senior Services
Consolidating Statement of Activities and Changes in Net Assets
For the Period from January 1, 2025 to June 30, 2025

	Asian Community Center		Meals on Wheels by ACC	Eliminations	Total
	Without Donor Restrictions	With Donor Restrictions			
EXPENSES					
Salaries and benefits	9,384,567	-	1,417,273	-	10,801,840
Supplies	421,147	-	2,340,002	(407)	2,760,742
Purchased services	2,003,560	-	236,212	(3,444)	2,236,328
Depreciation	956,488	-	20,572	-	977,060
In-kind materials	49,500	-	-	-	49,500
In-kind use of vans, repairs, and maintenance services	37,247	-	-	-	37,247
In-kind transportation and caregiver support services	23,122	-	-	-	23,122
In-kind home-delivered services	-	-	646,447	-	646,447
Interest	824,439	-	-	-	824,439
Utilities	494,198	-	42,234	(921)	535,511
Repairs and maintenance	276,809	-	136,671	(146)	413,334
Insurance and taxes	852,980	-	70,000	-	922,980
Professional fees	856,505	-	49,550	-	906,055
Lease and rental	46,297	-	90,779	(80,793)	56,283
Dues and subscriptions	15,655	-	24,717	-	40,372
Events and entertainment	37,370	-	-	-	37,370
Food and dietary	431,371	-	-	-	431,371
Marketing and advertising	31,024	-	-	-	31,024
Office expenses	10,657	-	33,252	-	43,909
Resident care supplies	26,481	-	-	-	26,481
Travel and transportation	40,907	-	2,413	-	43,320
Volunteer expense	-	-	46,246	-	46,246
Management fee – expense	1,944,699	-	413,980	(2,358,679)	-
Miscellaneous expense	127,488	-	23,229	-	150,717
Total expenses	18,892,511	-	5,593,577	(2,444,390)	22,041,698
(LOSS) INCOME FROM OPERATIONS	2,174,706	(127,549)	(276,544)	35,787	1,806,400
OTHER INCOME					
Investment income	90,904	-	218,402	-	309,306
Loss on sale of property and equipment	(518,568)	-	-	-	(518,568)
Total other income	(427,664)	-	218,402	-	(209,262)
CHANGES IN NET ASSETS	\$ 1,747,042	\$ (127,549)	\$ (58,142)	\$ 35,787	\$ 1,597,138

See report of independent auditors.

Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm that provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.