



**LITTLE SISTERS OF THE ASSUMPTION  
FAMILY HEALTH SERVICE, INC.**



**LSA Family Health Service**

Founded by the Little Sisters of the Assumption in 1958

**Financial Statements  
(Together with Independent Auditors' Report)**

**Years Ended December 31, 2024 and 2023**

**LITTLE SISTERS OF THE ASSUMPTION FAMILY HEALTH SERVICE, INC.**

**FINANCIAL STATEMENTS**  
**(Together with Independent Auditors' Report)**

**YEARS ENDED DECEMBER 31, 2024 AND 2023**

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## INDEPENDENT AUDITORS' REPORT

The Board of Directors  
Little Sisters of the Assumption Family Health Service, Inc.  
New York, NY

### ***Opinion***

We have audited the financial statements of Little Sisters of the Assumption Family Health Service, Inc. (the "Agency"), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Agency as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency'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 Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*CBIZ CPAs P.C.*

New York, NY  
June 4, 2025

**LITTLE SISTERS OF THE ASSUMPTION FAMILY HEALTH SERVICE, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
Cash and cash equivalents (Notes 2B, 3 and 13A)	\$ 586,147	\$ 651,701
Pledges receivable, net (Notes 2H, 3, 4 and 13B)	401,379	702,936
Grants receivable (Notes 2E, 2H, 3 and 13C)	84,662	90,725
Investments, at fair value (Notes 2C, 3 and 5)	124,374	219,616
Prepaid expenses and other current assets	59,622	54,400
Finance lease right-of-use assets (Note 10)	44,030	49,915
Property and equipment, net (Notes 2M and 6)	<u>3,405,155</u>	<u>3,530,292</u>
<b>TOTAL ASSETS</b>	<u>\$ 4,705,369</u>	<u>\$ 5,299,585</u>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 249,052	\$ 309,657
Loans payable to related parties (Note 12)	77,500	77,500
Finance lease liabilities (Note 10)	45,084	50,689
Government advances and deferred revenue (Notes 2E and 2F)	<u>3,900</u>	<u>2,709</u>
<b>TOTAL LIABILITIES</b>	<u>375,536</u>	<u>440,555</u>
<b>COMMITMENTS AND CONTINGENCIES</b> (Note 7)		
<b>NET ASSETS</b> (Notes 2D and 9)		
Without donor restrictions	3,471,149	3,458,484
With donor restrictions (Note 9)	<u>858,684</u>	<u>1,400,546</u>
<b>TOTAL NET ASSETS</b>	<u>4,329,833</u>	<u>4,859,030</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 4,705,369</u>	<u>\$ 5,299,585</u>

**LITTLE SISTERS OF THE ASSUMPTION FAMILY HEALTH SERVICE, INC.**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	For the Year Ended December 31, 2024			For the Year Ended December 31, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total 2024	Without Donor Restrictions	With Donor Restrictions	Total 2023
<b>SUPPORT AND REVENUE:</b>						
<b>Public Support (Note 2H):</b>						
Special events revenue	\$ 645,764	\$ -	\$ 645,764	\$ 460,619	\$ -	\$ 460,619
Less: costs of direct benefits to donors (Note 2I)	(104,918)	-	(104,918)	(73,033)	-	(73,033)
Net revenues from special events	540,846	-	540,846	387,586	-	387,586
Service revenue (Notes 2G and 8)	11,644	-	11,644	2,543	-	2,543
Foundation grants (Note 13B)	612,327	275,500	887,827	814,471	765,178	1,579,649
Individual donations (Note 13B)	397,318	270,000	667,318	551,614	545,000	1,096,614
Contributed nonfinancial assets (Note 2K)	389,677	-	389,677	362,328	-	362,328
Net assets released from restrictions (Notes 2H and 9)	1,108,343	(1,108,343)	-	1,187,238	(1,187,238)	-
<b>Total Public Support</b>	<u>3,060,155</u>	<u>(562,843)</u>	<u>2,497,312</u>	<u>3,305,780</u>	<u>122,940</u>	<u>3,428,720</u>
<b>Government Support (Notes 2E and 13C):</b>						
Advocacy	203,777	-	203,777	201,257	-	201,257
Maternity Infant Health	-	-	-	45,668	-	45,668
Other government grants	521,072	-	521,072	140,195	-	140,195
COVID-19 Disparities	-	-	-	601,118	-	601,118
<b>Total Government Support</b>	<u>724,849</u>	<u>-</u>	<u>724,849</u>	<u>988,238</u>	<u>-</u>	<u>988,238</u>
<b>Other Income:</b>						
Investment activity (Notes 2C and 5)	876	20,981	21,857	13,408	27,622	41,030
Thrift store (Note 2G)	174,651	-	174,651	191,338	-	191,338
Other income	66,897	-	66,897	5,778	-	5,778
<b>Total Other Income, net</b>	<u>242,424</u>	<u>20,981</u>	<u>263,405</u>	<u>210,524</u>	<u>27,622</u>	<u>238,146</u>
<b>TOTAL SUPPORT AND REVENUE</b>	<u>4,027,428</u>	<u>(541,862)</u>	<u>3,485,566</u>	<u>4,504,542</u>	<u>150,562</u>	<u>4,655,104</u>
<b>EXPENSES:</b>						
Program services	2,845,230	-	2,845,230	3,336,970	-	3,336,970
Management and general	611,685	-	611,685	538,811	-	538,811
Fundraising	557,848	-	557,848	760,677	-	760,677
<b>TOTAL EXPENSES</b>	<u>4,014,763</u>	<u>-</u>	<u>4,014,763</u>	<u>4,636,458</u>	<u>-</u>	<u>4,636,458</u>
<b>CHANGE IN NET ASSETS</b>	12,665	(541,862)	(529,197)	(131,916)	150,562	18,646
Net assets - beginning of year	3,458,484	1,400,546	4,859,030	3,590,400	1,249,984	4,840,384
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 3,471,149</u>	<u>\$ 858,684</u>	<u>\$ 4,329,833</u>	<u>\$ 3,458,484</u>	<u>\$ 1,400,546</u>	<u>\$ 4,859,030</u>

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

LITTLE SISTERS OF THE ASSUMPTION FAMILY HEALTH SERVICE, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(With Comparative Totals for the Year Ended December 31, 2023)

	For the Year Ended December 31, 2024												
	Program Services							Total Program Services	Supporting Services			Total 2023	
	Community Health	Environmental Health Services Program	K-5 Enrichment Program	Mental Health Services	Parenting & Child Development Program	Advocacy & Food Pantry Program	Sharing Place Thrift Store		Management and General	Fundraising	Total 2024		
Salary	\$ 6,555	\$ 266,443	\$ 250,412	\$ 163,094	\$ 310,382	\$ 313,985	\$ 165,550	\$ 1,476,421	\$ 250,983	\$ 146,405	\$ 1,873,809	\$ 2,308,831	
Payroll taxes and employee benefits (Note 11)	1,888	78,158	77,524	48,084	83,462	99,432	51,207	439,755	68,476	45,657	553,888	583,219	
<b>Total Salaries and Related Costs</b>	8,443	344,601	327,936	211,178	393,844	413,417	216,757	1,916,176	319,459	192,062	2,427,697	2,892,050	
Professional fees	12,082	5,915	9,253	6,686	55,190	13,820	2,423	105,369	187,454	198,786	491,609	464,829	
Volunteers (Note 2K)	-	-	-	-	-	-	-	-	-	620	620	1,879	
Emergency and family assistance (Note 2K)	-	-	315	275	-	406,284	-	406,874	-	-	406,874	403,615	
Client events, classes and activities	-	-	1,165	1,818	8,483	808	-	12,274	-	-	12,274	5,267	
Supplies (Note 2K)	16	689	4,846	1,729	1,737	1,963	1,666	12,646	874	93,709	107,229	167,724	
Printing and publications	64	2,522	1,441	1,315	2,984	2,642	2,162	13,130	17,001	6,637	36,768	38,592	
Telephone	168	7,769	3,788	3,514	9,382	8,512	5,682	38,815	9,871	5,051	53,737	59,293	
Travel	-	-	-	-	-	-	-	-	291	18	309	2,389	
Conferences, in-service and meetings	16	780	1,469	711	755	1,428	557	5,716	1,290	3,486	10,492	85,309	
Utilities	-	5,049	6,943	5,049	4,177	7,391	4,901	33,510	4,337	2,606	40,453	42,118	
Equipment leases and repairs (Note 10)	47	1,842	1,052	960	2,140	1,930	3,321	11,292	3,502	1,403	16,197	15,478	
Building expense	-	9,967	13,704	9,967	8,244	-	9,673	51,555	8,560	5,145	65,260	64,970	
Insurance	12	20,264	27,495	20,045	16,916	8,025	23,534	116,291	17,664	10,534	144,489	137,597	
Venue cost	-	-	-	-	-	16,427	-	16,427	-	118,951	135,378	19,136	
Other special event costs	-	-	-	-	-	-	-	-	-	-	-	106,693	
Bad debt expense	-	-	-	-	-	-	-	-	-	-	-	1,191	
Miscellaneous	41	1,686	930	848	1,911	1,717	4,759	11,892	17,504	10,888	40,284	19,068	
Subtotal before costs of direct benefits to donors and depreciation	20,889	401,084	400,337	264,095	505,763	884,364	275,435	2,751,967	587,807	649,896	3,989,670	4,527,198	
Less: costs of direct benefits to donors (Note 21)	-	-	-	-	-	-	-	-	-	(104,918)	(104,918)	(73,033)	
Subtotal before depreciation	20,889	401,084	400,337	264,095	505,763	884,364	275,435	2,751,967	587,807	544,978	3,884,752	4,454,165	
Depreciation (Note 6)	389	17,635	11,929	10,298	19,719	17,916	15,377	93,263	23,878	12,870	130,011	182,293	
<b>TOTAL EXPENSES</b>	<b>\$ 21,278</b>	<b>\$ 418,719</b>	<b>\$ 412,266</b>	<b>\$ 274,393</b>	<b>\$ 525,482</b>	<b>\$ 902,280</b>	<b>\$ 290,812</b>	<b>\$ 2,845,230</b>	<b>\$ 611,685</b>	<b>\$ 557,848</b>	<b>\$ 4,014,763</b>	<b>\$ 4,636,458</b>	

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

LITTLE SISTERS OF THE ASSUMPTION FAMILY HEALTH SERVICE, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2023

	Program Services									Supporting Services		
	Community Health	Environmental Health Services Program	COVID-19 Disparities	K-5 Enrichment Program	Mental Health Services	Parenting & Child Development Program	Advocacy & Food Pantry Program	Sharing Place Thrift Store	Total Program Services	Management and General	Fundraising	Total 2023
Salary	\$ 78,150	\$ 310,349	\$ 400,904	\$ 147,527	\$ 137,210	\$ 304,956	\$ 200,839	\$ 165,621	\$ 1,745,556	\$ 274,653	\$ 288,622	\$ 2,308,831
Payroll taxes and employee benefits (Note 11)	16,667	64,058	102,822	40,903	39,345	90,151	56,773	48,762	459,481	64,653	59,085	583,219
<b>Total Salaries and Related Costs</b>	94,817	374,407	503,726	188,430	176,555	395,107	257,612	214,383	2,205,037	339,306	347,707	2,892,050
Professional fees	42,746	2,932	15,031	6,283	7,798	113,527	12,423	2,773	203,513	105,357	155,959	464,829
Volunteers (Note 2K)	-	-	-	37	-	-	460	-	497	-	1,382	1,879
Emergency and family assistance (Note 2K)	-	2,400	-	-	-	-	401,215	-	403,615	-	-	403,615
Client events, classes and activities	-	-	882	1,726	875	1,249	535	-	5,267	-	-	5,267
Supplies (Note 2K)	4,893	2,003	1,483	646	605	3,074	11,010	2,668	26,382	858	140,484	167,724
Printing and publications	1,212	2,980	1,639	1,065	587	2,633	1,829	1,939	13,884	18,250	6,458	38,592
Telephone	1,670	11,615	5,050	2,637	2,029	9,307	8,244	4,757	45,309	8,263	5,721	59,293
Travel	-	576	-	-	-	1,393	207	-	2,176	58	155	2,389
Conferences, in-service and meetings	3,044	8,972	62,494	95	78	3,203	4,185	306	82,377	978	1,954	85,309
Utilities	1,446	3,801	4,648	7,727	1,446	4,648	5,221	5,454	34,391	4,826	2,901	42,118
Equipment leases and repairs	149	2,334	806	716	460	1,863	1,433	2,684	10,445	3,479	1,554	15,478
Building expense	2,300	6,045	7,392	12,287	2,300	7,392	7,030	8,673	53,419	6,939	4,612	64,970
Insurance	4,616	12,376	14,879	24,655	4,655	15,010	14,234	22,172	112,597	15,597	9,403	137,597
Venue cost	-	-	-	-	-	-	-	-	-	-	19,136	19,136
Other special event costs	-	-	-	-	-	-	-	-	-	-	106,693	106,693
Bad debt expense	191	-	-	-	-	-	-	-	191	1,000	-	1,191
Miscellaneous	15	364	80	71	46	186	143	3,481	4,386	6,303	8,379	19,068
Subtotal before costs of direct benefits to donors and depreciation	157,099	430,805	618,110	246,375	197,434	558,592	725,781	269,290	3,203,486	511,214	812,498	4,527,198
Less: costs of direct benefits to donors (Note 2I)	-	-	-	-	-	-	-	-	-	-	(73,033)	(73,033)
Subtotal before depreciation	157,099	430,805	618,110	246,375	197,434	558,592	725,781	269,290	3,203,486	511,214	739,465	4,454,165
Depreciation (Note 6)	2,756	31,516	12,936	13,713	6,636	26,143	20,631	19,153	133,484	27,597	21,212	182,293
<b>TOTAL EXPENSES</b>	<b>\$ 159,855</b>	<b>\$ 462,321</b>	<b>\$ 631,046</b>	<b>\$ 260,088</b>	<b>\$ 204,070</b>	<b>\$ 584,735</b>	<b>\$ 746,412</b>	<b>\$ 288,443</b>	<b>\$ 3,336,970</b>	<b>\$ 538,811</b>	<b>\$ 760,677</b>	<b>\$ 4,636,458</b>

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



**LITTLE SISTERS OF THE ASSUMPTION FAMILY HEALTH SERVICE, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (529,197)	\$ 18,646
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	130,011	182,293
Bad debt expense - third-party payors	-	1,191
Finance lease right-of-use assets amortization	13,365	11,589
Net realized and unrealized gain on investments	<u>(17,728)</u>	<u>(35,941)</u>
Subtotal	(403,549)	177,778
Changes in operating assets and liabilities:		
Decrease (increase) in assets:		
Pledges receivable	301,557	(253,589)
Grants receivable	6,063	364,473
Prepaid expenses and other current assets	(5,222)	(43,186)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(60,605)	(324,618)
Government advances and deferred revenue	<u>1,191</u>	<u>-</u>
<b>Net Cash Used in Operating Activities</b>	<u>(160,565)</u>	<u>(79,142)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from investment sales	139,934	283,457
Purchase of investments	(26,964)	(17,294)
Purchase of property and equipment	<u>(4,874)</u>	<u>-</u>
<b>Net Cash Provided by Investing Activities</b>	<u>108,096</u>	<u>266,163</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from loans payable to related parties	-	77,500
Payments on finance leases	<u>(13,085)</u>	<u>(10,815)</u>
<b>Net Cash (Used in) Provided by Financing Activities</b>	<u>(13,085)</u>	<u>66,685</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	(65,554)	253,706
Cash and cash equivalents - beginning of year	<u>651,701</u>	<u>397,995</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 586,147</u>	<u>\$ 651,701</u>
<b>Supplemental Disclosure of Cash Flow Information</b>		
Cash paid for interest	<u>\$ 1,791</u>	<u>\$ 1,509</u>

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

**LITTLE SISTERS OF THE ASSUMPTION FAMILY HEALTH SERVICE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES**

Little Sisters of the Assumption Family Health Service, Inc. (the “Agency”) is a nonprofit agency incorporated in the State of New York dedicated to providing services to the families of East Harlem. The Agency’s services and programs include the following:

- **Community Health and Wellness:**
  - Advocacy & Food Pantry programs help families in financial need meet their immediate need for food and address the longer-term issues that keep people in poverty.
  - Environmental Health Services program serves asthmatic children in East Harlem whose illness can be improved by mitigating triggers in the indoor air environment. The Agency does this through hands-on home-visits by skilled environmental workers, family training and community workshops.
  - Community Health programming has shifted from traditional nursing under CHHA license to emphasize paraprofessional support and robust health education. The Agency concentrates on crucial areas like maternal infant health, providing families with essential knowledge and resources.
  - The COVID Disparities Grant (CDG) expands the Agency’s reach into the community and connects more people to critical services. The Community Healthcare Workers (CHW) in this program offer educational workshops on various health and community resource topics, offer navigational services to connect individuals to resources that they need, and provide family support services to ensure that resources are accessed. Additionally, CHW provides community education around the benefits of vaccination against COVID-19 and connects program participants to resources to obtain vaccinations, in one of the hardest hit areas in New York City.
- **Family Support Programs:**
  - The Parenting and Child Development program fosters healthy child development from zero to three years of age. With a focus on socialization and home-visiting, this program is geared toward families of children 0-3 years old, where there is some risk of developmental delay in the child. Through the socialization groups and one-on-one home visits, the Agency’s early childhood specialists guide parents with parenting techniques to help their children achieve developmental milestones at the appropriate time.
  - K-5 Enrichment program inspires children in grades K-5 to improve reading and math skills, with socioemotional learning goals and parent involvement integrated throughout the program. The program offers homework help, after-school tutoring, summer enrichment and arts programs for school-aged children.
  - Mental Health Services provides the community with free, bilingual, and holistic trauma-informed care programs through individual and group therapy. In addition, this program offers parent-child art therapy sessions.
- The Sharing Place Thrift Store is a popular destination for good quality, bargain-priced clothing and housewares. In addition, the store provides free emergency clothing to clients in immediate need. The store is now open Monday-Saturday 10AM-5PM.

The Agency is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code (the “Code”) and comparable state law; contributions to the Agency are tax deductible within the limitations prescribed by the Code. The Agency has been classified as a publicly supported organization, which is not a private foundation under Section 509(a) of the Code.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- A. The Agency presents its financial statements on the accrual basis of accounting. The Agency adheres to accounting principles generally accepted in the United States of America (“U.S. GAAP”).

**LITTLE SISTERS OF THE ASSUMPTION FAMILY HEALTH SERVICE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- B. The Agency considers all highly liquid investments with a maturity of three months or less when acquired to be cash equivalents. Cash equivalents held in investment broker accounts are included with investments on the statements of financial position.
- C. Investments are reported at fair value. Unrealized and realized gains and losses and investment income are reported in the statements of activities in investment activity as increases or decreases in net assets without donor restrictions, unless there are donor restrictions for the use of investment income.

Fair value measurements are based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three levels, as described in Note 5.

- D. The Agency's net assets and revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the Agency's net assets and changes therein are classified and reported as follows:
- Without donor restrictions – Net assets that are not subject to donor-imposed stipulations, or have been reclassified from net assets with donor restrictions because donor imposed restrictions have been removed or expired.
  - With donor restrictions – Net assets subject to donor imposed stipulations, including stipulations that will be met either by actions of the Agency, and unappropriated endowment earnings. Earnings on endowments are recorded as donor restricted until the Board has appropriated the earnings for expenditure, at which time the earnings are classified as net assets without donor restrictions. Contributions received with donor-imposed conditions and restrictions that are met in the same reporting period are reported as net assets without donor restrictions and increase net assets without donor restrictions.
- E. Government grants are recognized as revenue when the expenses authorized under the contract are incurred. When authorized expenses are not reimbursed in the same time period in which they are incurred, the revenue is reflected as a receivable. Amounts received by the Agency under government grants for which the Agency has not yet met the conditions are reported as government advances on the statements of financial position.

As of December 31, 2024 and 2023, the Agency was awarded conditional grants and contracts from government agencies in the aggregate amounts of \$141,358 and \$0, respectively, that have not been recorded in the accompanying financial statements, as they will be recognized when contract barriers are overcome. These grants and contracts require the Agency to provide services as specified in the contracts. If such services are not provided, the governmental entities are not obligated to expend the funds allotted under the grants and contracts and the Agency may be required to return the funds already remitted.

- F. The Agency receives cash in advance of special events that is to be held after the date of the statements of financial position. It is the Agency's policy to record the event proceeds applicable to the next fiscal year as deferred revenue until earned.
- G. The Agency's Certified Home Health Program reports net patient service revenue and fees for service at the estimated net realizable amounts due from third-party payors for services in the period in which they are rendered. Generally, the Agency bills government agencies, third-party payors and individuals after the services are performed or they have completed their portion of the contract. Receivables are due in full when billed and revenue is recognized as performance obligations are satisfied. Approximately 0% and 22% of net service revenue for the years ended December 31, 2024 and 2023 was derived under federal, state and city third-party reimbursement programs. These revenues are based, in part, on cost reimbursement principles and are subject to audit and retroactive adjustment by the respective governmental fiscal intermediaries. Provision for estimated amounts due to/from the payor agencies, if any, has been made in the financial statements. Differences between estimated rates and subsequent realized amounts are reflected in the statements of activities in the year revisions are calculated.

**LITTLE SISTERS OF THE ASSUMPTION FAMILY HEALTH SERVICE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The Agency recognizes sales revenue from the Thrift Store when the performance obligation is satisfied, which is when the sale transaction occurs in the Thrift Store. The transaction price is determined by the Agency and is based upon the listed price.

**Performance Obligations** - Performance obligations are determined based on the nature of the services provided by the Agency in accordance with the contract. Revenue for performance obligations satisfied over time is recognized as the services are provided. This method depicts the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. The Agency measures the performance obligation from the beginning of the next month or day to the point when it is no longer required to provide services under the contract or has met the requirements to bill for the services provided, which is generally at the end of each month or period of time allowed based on the government agencies' stipulations.

All performance obligations relate to contracts with a duration of less than one year; therefore, there are no performance obligations or contract balances that are unsatisfied as of December 31, 2024 and 2023. The performance obligations for these contracts are completed when the service is completed and upon submission of required documentation. The Agency determines the transaction price based on established rates and contracts for services provided.

Net service revenue consists of revenues for the following programs for the years ended December 31:

	<u>2024</u>	<u>2023</u>
Fee for Service	\$ 11,644	\$ 2,543

- H. Contributions to the Agency that are not restricted by the donor are reported as increases in net assets without donor restrictions in the fiscal year in which the contributions are made to the Agency. All donor-restricted contributions are reported as increases in net assets with donor restrictions. Net assets are released from restrictions by incurring expenses or the passage of time, thus satisfying the restricted purpose.

Unconditional promises to give that are expected to be collected within one year are recorded at estimated net realizable value, and if material, multiyear pledges are recorded at the present value of estimated future cash flows. Historically, the Agency has not experienced significant bad debt losses from pledges. The Agency bases its allowance for doubtful pledges on its historical loss experience considering the age of the receivables. The Agency has determined that no allowance for pledges and grants receivable was necessary as of December 31, 2024 and 2023. Conditional promises to give are not included as support until the conditions are substantially met.

- I. The direct cost of special events includes expenses for the benefit of the donor. For example, meals, facilities and rental are considered direct costs of special events.
- J. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, payroll taxes and employee benefits, professional fees, emergency and family assistance, client events, classes and activities, supplies, printing and publications, telephone, travel, conferences, trainings and meetings, utilities, equipment leases and repairs, building expenses, insurance and miscellaneous expenses, which are allocated on the basis of estimates of time and effort. Building related expenses include utilities, repairs, maintenance, property insurance and depreciation expenses, and are allocated on the basis of square footage per space used by each department.

**LITTLE SISTERS OF THE ASSUMPTION FAMILY HEALTH SERVICE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

K. Donated services are recognized in the financial statements if the services enhance or create nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased, if not provided by donation. The Agency received a substantial amount of services donated by volunteers in carrying out its activities. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition. The Agency records an expense associated with the volunteers to whom the Agency pays a stipend for living expenses. The expenses associated with these volunteers for the years ended December 31, 2024 and 2023, amounted to \$620 and \$1,879, respectively. Donated securities are measured at fair value at the date of receipt. Donated securities amounted to \$23,774 and \$13,026 for the years ended December 31, 2024 and 2023, respectively, and are included in special events revenue in the accompanying statements of activities.

For the years ended December 31, 2024 and 2023, the Agency recorded the fair value of noncash contributions amounting to \$389,677 and \$362,328, respectively. Such amounts are included as contributed nonfinancial assets in the accompanying statements of activities and emergency and family assistance, and supplies on statements of functional expenses.

Contributed nonfinancial assets consisted of the following for the year ended December 31, 2024:

<b><u>Nonfinancial Asset</u></b>	<b><u>Amount</u></b>	<b><u>Usage in Programs/Activities</u></b>	<b><u>Donor-imposed Restrictions</u></b>	<b><u>Fair Value Techniques</u></b>
Donated goods - fundraising	\$ 36,183	Fundraising	No associated donor restriction	Based on selling price
Donated goods	85,604	Advocacy & Food Pantry Program, Fundraising, Parent and Child Development, K-5 Enrichment Program, and Sharing Place Thrift Store	No associated donor restriction	Based on current value of goods donated
Donated food	267,890	Advocacy & Food Pantry Program	No associated donor restriction	Based on estimated fair market value of the food
Total	<u>\$ 389,677</u>			

Contributed nonfinancial assets consisted of the following for the year ended December 31, 2023:

<b><u>Nonfinancial Asset</u></b>	<b><u>Amount</u></b>	<b><u>Usage in Programs/Activities</u></b>	<b><u>Donor-imposed Restrictions</u></b>	<b><u>Fair Value Techniques</u></b>
Donated goods - fundraising	\$ 17,009	Fundraising	No associated donor restriction	Based on selling price
Donated goods	126,891	Advocacy & Food Pantry Program, Fundraising, Parent and Child Development, K-5 Enrichment Program, and Sharing Place Thrift Store	No associated donor restriction	Based on current value of goods donated
Donated services	34,088	Legal Services	No associated donor restriction	Based on rate provided by individuals
Donated food	184,340	Advocacy & Food Pantry Program	No associated donor restriction	Based on estimated fair market value of the food
Total	<u>\$ 362,328</u>			

**LITTLE SISTERS OF THE ASSUMPTION FAMILY HEALTH SERVICE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- L. The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
- M. Property and equipment are stated at cost less accumulated depreciation except for land, which is carried at cost. These amounts do not purport to represent replacement or realizable values. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets, generally from 5 to 50 years. The Agency capitalizes property and equipment in excess of \$1,000.

**NOTE 3 – LIQUIDITY AND AVAILABILITY**

The Agency strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. The following table reflects the Agency's financial assets as of December 31, 2024 and 2023, reduced by any amounts that are not available to meet general expenditures within one year of the statements of financial position date because of contractual restrictions:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 586,147	\$ 651,701
Pledges receivable, net	401,379	702,936
Grants receivable	84,662	90,725
Investments, at fair value	<u>124,374</u>	<u>219,616</u>
Total financial assets	1,196,562	1,664,978
Less: Cash and investments held for endowments	(121,397)	(142,653)
Less: Pledges receivable due in more than one year	<u>(100,000)</u>	<u>(350,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 975,165</u>	<u>\$ 1,172,325</u>

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Agency considers all expenditures related to its ongoing activities, as well as the conduct of services undertaken to support those activities, to be general expenditures. Donor restricted funds for various programs are considered available for the general expenditures to conduct those programs. The Agency's endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments is used for operations if appropriated. The endowment is subject to an annual spending rate of up to 7% as described in Note 9.

**NOTE 4 – PLEDGES RECEIVABLE, NET**

Pledges receivable, net, are unconditional promises to give, and consisted of the following as of December 31:

	<u>2024</u>	<u>2023</u>
Pledges receivable due in:		
Less than one year	\$ 310,520	\$ 391,133
One to five years	<u>100,000</u>	<u>350,000</u>
Total pledges receivable	410,520	741,133
Unamortized discount to present value	<u>(9,141)</u>	<u>(38,197)</u>
Pledges receivable, net	<u>\$ 401,379</u>	<u>\$ 702,936</u>

Contributions receivable due in more than one year are reflected at the present value of estimated future cash flows using a discount rate of 4.91%.

**LITTLE SISTERS OF THE ASSUMPTION FAMILY HEALTH SERVICE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 5 – INVESTMENTS AND FAIR VALUE MEASUREMENTS**

Investments at December 31 are comprised of the following:

	<u>2024</u>	<u>2023</u>
U.S. Equities	\$ 118,588	\$ 65,293
U.S. Treasury Bonds and Notes	-	7,820
Money Market Funds	5,786	103,464
Exchange Traded Funds	-	41,973
REIT	<u>-</u>	<u>1,066</u>
Total Investments	<u>\$ 124,374</u>	<u>\$ 219,616</u>

Investments are classified in the following net asset categories as of December 31:

	<u>2024</u>	<u>2023</u>
With donor restrictions – endowment	\$ 123,000	\$ 123,000
With donor restrictions – earnings on endowment	(1,603)	19,653
Without donor restrictions	<u>2,977</u>	<u>76,963</u>
	<u>\$ 124,374</u>	<u>\$ 219,616</u>

The following table summarizes investment activity for the years ended December 31:

	<u>2024</u>	<u>2023</u>
Interest and dividends	\$ 4,772	\$ 7,366
Investment fees	(643)	(2,277)
Realized and unrealized gain on investments	<u>17,728</u>	<u>35,941</u>
	<u>\$ 21,857</u>	<u>\$ 41,030</u>

FASB Accounting Standards Codification (“ASC”) 820, “Fair Value Measurement,” provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

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

Level 2: Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the assets or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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



**LITTLE SISTERS OF THE ASSUMPTION FAMILY HEALTH SERVICE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 5 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)**

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. In determining fair value, the Agency utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible in its assessment of fair value. Money market funds are valued at the net asset value ("NAV") at a constant \$1.00 per share, of which, only the yield goes up and down. Investments in U.S. equities, exchange traded funds, and REITs are valued using market prices in active markets (Level 1). Level 1 instrument valuations are obtained from real-time quotes in active exchange markets involving identical assets. Level 1 also includes U.S. Treasury and U.S. Agency bonds and notes, which are traded by dealers or brokers in active markets.

Financial assets carried at fair value are classified in the table at Level 1 as follows at December 31:

	<u>2024</u>	<u>2023</u>
Money Market Funds	\$ 5,786	\$ 103,464
U.S. Equities	118,588	65,293
U.S. Treasury Bonds and Notes	-	7,820
Exchange Traded Funds	-	41,973
REIT	<u>-</u>	<u>1,066</u>
Total Assets Carried at Fair Value	<u>\$ 124,374</u>	<u>\$ 219,616</u>

**NOTE 6 – PROPERTY AND EQUIPMENT, NET**

Property and equipment, net, consists of the following as of December 31:

	<u>2024</u>	<u>2023</u>	<u>Estimated Useful Lives</u>
Land	\$ 572,119	\$ 572,119	-
Building	5,718,780	5,718,780	20-50 years
Furniture and equipment	341,415	541,333	5-20 years
Vehicles	<u>42,705</u>	<u>42,705</u>	5 years
Total cost	6,675,019	6,874,937	
Less: accumulated depreciation	<u>(3,269,864)</u>	<u>(3,344,645)</u>	
Net book value	<u>\$ 3,405,155</u>	<u>\$ 3,530,292</u>	

Depreciation expense amounted to \$130,011 and \$182,293 for the years ended December 31, 2024 and 2023, respectively.

**NOTE 7 – COMMITMENTS AND CONTINGENCIES**

- A. On October 5, 2023, the Agency obtained a line of credit ("LOC") with Ponce Bank (the "Bank") in the amount of \$200,000 and collateralized by the Agency's business assets. The LOC has an effective interest rate of 10.75% and expires on December 1, 2025. There were no borrowings as of December 31, 2024. As of December 31, 2024, the Agency was in compliance with all compliance and reporting covenants.
- B. The Agency believes it has no uncertain tax positions as of December 31, 2024 and 2023, in accordance with FASB ASC Topic 740, "Income Taxes", which provides standards for establishing and classifying any tax provisions for uncertain tax positions.



**LITTLE SISTERS OF THE ASSUMPTION FAMILY HEALTH SERVICE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 8 – NET SERVICE REVENUE**

Revenue from third-party payors for the years ended December 31 was as follows:

	<u>2024</u>	<u>2023</u>
Medicare	\$ -	\$ 562
Other	<u>11,644</u>	<u>1,981</u>
	<u>\$ 11,644</u>	<u>\$ 2,543</u>

**NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets released from restrictions during the years ended December 31, by incurring expenses or the passage of time, thus satisfying the restricted purpose, are as follows:

	<u>2024</u>	<u>2023</u>
Asthma and Environment	\$ 10,400	\$ 61,761
Home Health Agency:		
Maternity Outreach	-	30,347
Parenting and Child Development	656,872	602,566
K-5 Enrichment Program	75,651	95,308
Mental Health Services	150,144	129,124
Advocacy	63,333	113,139
Administrative and Development	9,706	32
Subject to time restrictions	100,000	-
Appropriated earnings from Endowment	42,237	68,161
The McNerney Endowment release (a)	<u>-</u>	<u>86,800</u>
Total	<u>\$ 1,108,343</u>	<u>\$ 1,187,238</u>

- (a) During the year ended December 31, 2023, the Agency performed a search of the endowment documents to identify the source of the donors. It was determined the endowment represented funds raised between 2003 and 2006 in honor of the McNerney Endowment but no specific restrictions on the donations. As such, the Agency released the \$86,800 principal value above with Board approval during 2023.

Net assets with donor restrictions are available for the following as of December 31:

	<u>2024</u>	<u>2023</u>
Subject to expenditures for the specified purpose:		
Asthma and Environment	\$ 22,100	\$ -
Parenting and Child Development	76,086	617,959
K-5 Enrichment Program	241,541	49,692
Mental Health Services	80,733	230,876
Advocacy	7,466	40,299
Administrative and Development	109,361	19,067
Unappropriated Earnings from Endowment	(1,603)	19,653
Subject to time restrictions	200,000	300,000
Endowment principal held in perpetuity:		
The Doyle Endowment	100,000	100,000
The McNerney Endowment	5,500	5,500
Ensuring our Future Campaign Endowments	<u>17,500</u>	<u>17,500</u>
Total	<u>\$ 858,684</u>	<u>\$ 1,400,546</u>

**LITTLE SISTERS OF THE ASSUMPTION FAMILY HEALTH SERVICE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)**

The Agency recognizes that New York State adopted as law the New York Prudent Management of Institutional Funds Act (“NYPMIFA”) on September 17, 2010. NYPMIFA replaced the prior law, which was the Uniform Management of Institutional Funds Act (“UMIFA”). In addition, NYPMIFA created a rebuttable presumption of imprudence if an organization appropriates more than seven percent of a donor-restricted permanent endowment fund’s fair value (averaged over a period of not less than the preceding five years) in any year. Any unappropriated earnings that would otherwise be considered without donor restriction by the donor will be reflected as net assets with donor restrictions until appropriated.

The Agency’s Board has interpreted NYPMIFA as allowing the Agency to appropriate for expenditure or accumulate so much of an endowment fund as the Agency determines is prudent for the uses, benefits, purposes and duration for which the endowment fund was established, subject to the intent of the donor as expressed in the gift instrument. Unless stated otherwise, the assets in a donor-restricted endowment fund shall be donor-restricted assets until appropriated for expenditure by the Board.

The Agency’s policy includes guidance for the annual appropriation of funds to support operations. Under this policy, the Agency may appropriate each year between a minimum of 4% and a maximum of 7% of the average quarterly market values of its investment portfolio over the five-year period immediately preceding the beginning of each fiscal year (the “Annual Spending Allocation”). Notwithstanding the foregoing, the Board, may allocate the Agency’s spending for the operations in any fiscal year: a) so much of the net appreciation realized (with respect to all assets) and unrealized (with respect only to readily marketable assets) in the fair value of the assets of an endowment fund over the historic dollar value of the fund as is prudent, and b) the income during the immediately preceding fiscal year from all investment funds, including permanent endowment funds (subject to the limitation of section (a) of this paragraph ) in an amount greater than the Annual Spending Allocation if the board determines, in its sole discretion, acting prudently and in the interest of the Agency, that such greater allocation is necessary or appropriate in light of fiscal needs of the Agency.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Agency to retain as a fund of perpetual duration. Deficiencies of this nature are reported in net assets with donor restrictions. As of December 31, 2024, the original gift value of the endowment funds totaled \$123,000, with their fair value being \$121,397, reflecting an underwater amount of \$1,603. This deficiency was reported within net assets with donor restrictions. During the years ended December 31, 2024, and 2023, the Board appropriated \$42,237 and \$68,161, respectively, from the endowment funds.

The Agency’s endowment investment policy is to invest primarily in a mix of equities and fixed-income securities based on an asset allocation to satisfy its overall endowment financial and investment objectives, such as to preserve the principal, protect against inflation, receive stable returns and achieve long-term growth. The Agency 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).

Changes in endowment net assets consisted of the following for the year ended December 31, 2024:

	Endowment (Loss)	Endowment Principal Held in Perpetuity	Total Endowment
Endowment net assets, beginning of year	\$ 19,653	\$ 123,000	\$ 142,653
Investment activity:			
Unrealized gain on investments	20,981	-	20,981
Total investment activity	20,981	-	20,981
Release of endowment principal	-	-	-
Earnings appropriated for expenditure	(42,237)	-	(42,237)
Endowment net assets, end of year	\$ (1,603)	\$ 123,000	\$ 121,397

**LITTLE SISTERS OF THE ASSUMPTION FAMILY HEALTH SERVICE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)**

Changes in endowment net assets consisted of the following for the year ended December 31, 2023:

	<u>Endowment Earnings</u>	<u>Endowment Principal Held in Perpetuity</u>	<u>Total Endowment</u>
Endowment net assets, beginning of year	\$ 60,192	\$ 209,800	\$ 269,992
Investment activity:			
Unrealized loss on investments	27,622	-	27,622
Total investment activity	27,622	-	27,622
Release of endowment principal	-	(86,800)	(86,800)
Earnings appropriated for expenditures	(68,161)	-	(68,161)
Endowment net assets, end of year	\$ 19,653	\$ 123,000	\$ 142,653

Endowment net assets are included with investments on the accompanying statements of financial position as of December 31, 2024 and 2023.

**NOTE 10 – LEASES**

During 2023, The Agency leased copiers under finance lease arrangements through July 2029. The Agency assesses whether an arrangement qualifies as a lease at inception and only reassesses its determination if the terms and conditions of the arrangement are changed.

As of December 31, 2024 and 2023, the financing lease right-of-use (ROU) assets had a balance of \$44,030 and \$49,915, respectively. The financing lease liabilities amounted to \$45,084 and \$50,689. The ROU asset and liability were calculated utilizing risk-free rates (ranging from 3.59% to 4.72%), according to the Agency's elected policy. The weighted average of the remaining lease term for finance leases is 3.35 years. The weighted average discount rate amounted to 3.70% for the finance lease.

The following summarizes the line items in the statements of functional expenses which include the components of lease expense for the years ended December 31:

	<u>2024</u>	<u>2023</u>
Finance lease costs:		
Amortization of lease assets, included in equipment leases and repairs	\$ 13,365	\$ 11,589
Interest on lease liabilities, included in equipment leases and repairs	1,791	1,509
Total finance lease costs	\$ 15,156	\$ 13,098

The following summarizes cash flow information related to leases for the years ended December 31:

	<u>2024</u>	<u>2023</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Financing cash flows from finance leases	\$ 13,085	\$ 10,815
Lease assets obtained in exchange for lease obligations:		
Financing leases	7,480	61,504
Total finance lease costs	\$ 20,565	\$ 72,319

**LITTLE SISTERS OF THE ASSUMPTION FAMILY HEALTH SERVICE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 10 – LEASES (Continued)**

Future minimum payments for non-cancelable leases for the years ending after December 31, 2024 are as follows:

2025	\$	14,487
2026		14,487
2027		14,487
2028		3,737
2029		793
Total lease payments		47,991
Less: present value discount		(2,907)
Lease obligation	\$	<u>45,084</u>

**NOTE 11 – PENSION PLAN**

The Agency has established a tax deferred annuity plan (the “Annuity Plan”) under Section 403(b) of the Code and a defined contribution plan (the “Plan”) under Section 401(a) of the Code, for its employees. All employees, excluding religious personnel, are eligible to participate. Under the Plan, the Agency contributed 5% of the eligible salaries into the Plan, annually. Effective April 1, 2012, the Agency amended the Plan and no longer contributes a percentage of eligible salaries. An employee becomes eligible to participate in the Plan at the beginning of the completion of the first year of continuous service, and becomes fully vested after three years. The Agency did not make contributions to the Plan in the years ended December 31, 2024 and 2023. Under the Annuity Plan, an employee becomes eligible at any time the employee wishes to participate and is fully and immediately vested at that time. The Agency is not required to make contributions to the Annuity Plan.

**NOTE 12 – LOANS PAYABLE TO RELATED PARTIES**

As of December 31, 2023, the Agency received loans from four members of its Board of Directors totaling \$77,500. These transactions are considered related-party transactions due to the relationship between the Board members and Agency. These loans are subject to the terms and conditions approved by the Board of Directors of the Agency. The interest rates and repayment terms are consistent across all loans. The loans carry an interest rate of 8% and are due within 24 months from the date of the note purchase agreement, which is May 12, 2023. The loans may be converted into conversion grants upon maturity. The amount outstanding was \$77,500 as of both December 31, 2024 and 2023. Subsequent to the year ended December 31, 2024, the Agency received grants of \$78,213 which is made up of \$67,500 of principal and \$10,713 of accrued interests, from the three Board members as partial satisfaction of the loans payable to related parties. As of June 4, 2025 the outstanding balance was \$10,000.

**NOTE 13 – CONCENTRATIONS**

- A. Cash and cash equivalents that potentially subject the Agency to a concentration of credit risk include cash accounts with one bank that exceed the Federal Deposit Insurance Corporation (“FDIC”) insurance limits by approximately \$290,000 and \$399,000 as of December 31, 2024 and 2023, respectively. This excess includes outstanding checks. Cash accounts with participating banks are insured up to \$250,000 per depositor.
- B. A pledge receivable from one donor represented 50%, and 30% of pledges receivables as of December 31, 2024 and 2023, 0% and 21% of foundation grants and individual donors revenue for the years ended December 31, 2024 and 2023, respectively.
- C. A grant receivable from one funder represented 60% of total grant receivables and 34% of government support as of and for the year ended December 31, 2024.

**LITTLE SISTERS OF THE ASSUMPTION FAMILY HEALTH SERVICE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 14 – SUBSEQUENT EVENTS**

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the statement of financial position through June 4, 2025, the date the financial statements were available to be issued.

Due to the federal government's review and potential restricting of federal funding priorities, there is uncertainty regarding the continuation and amount of future funding from federal sources. The Agency is monitoring policy developments to mitigate potential impacts.