

SOUTH ASIAN COUNCIL FOR SOCIAL SERVICES, INC.

**Financial Statements
for the year ended
December 31, 2024**

Independent Auditor's Report

To the Board of Directors
South Asian Council for Social Services, Inc.

Opinion

We have audited the financial statements of South Asian Council for Social Services Inc. (the “Organization”), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2024, and the results of its activities and its cash flows for the year 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. 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.

Prior Year Financial Statements

The Organization's financial statements for the year ended December 31, 2023, were audited by other auditors whose report dated May 1, 2024, expressed an unmodified opinion on those financial statements.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not an absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, 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 generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Condon O'Meara McGinty + Donnelly LLP

SOUTH ASIAN COUNCIL FOR SOCIALS SERVICES, INC.

Statement of Financial Position

Assets		December 31	
		2024	2023
Current assets			
Cash and cash equivalents		\$ 1,291,293	\$ 1,782,375
Grants and pledges receivable		1,931,328	1,069,719
Prepaid expenses		<u>90,269</u>	<u>8,103</u>
Total current assets		3,312,890	2,860,197
Property and equipment, net		3,321,375	3,432,284
Security deposits		10,985	10,985
Right-of-use asset – operating lease		<u>196,880</u>	<u>-</u>
Total assets		<u>\$ 6,842,130</u>	<u>\$ 6,303,466</u>
Liabilities and Net Assets			
Current liabilities			
Accounts payable and accrued expenses		\$ 118,160	\$ 171,917
Deferred grants revenue		288,453	375,000
Current portion of operating lease payable		<u>63,304</u>	<u>-</u>
Total current liabilities		469,917	546,917
Operating lease payable, net of current portion		<u>133,576</u>	<u>-</u>
Total liabilities		<u>603,493</u>	<u>546,917</u>
Net assets			
Without donor restrictions		6,228,637	5,756,549
With donor restrictions		<u>10,000</u>	<u>-</u>
Total net assets		<u>6,238,637</u>	<u>5,756,549</u>
Total liabilities and net assets		<u>\$ 6,842,130</u>	<u>\$ 6,303,466</u>

See notes to financial statements.

SOUTH ASIAN COUNCIL FOR SOCIAL SERVICES, INC.

Statement of Activities

	Year Ended December 31					
	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenue						
Grants and contributions	\$3,274,214	\$ 10,000	\$3,284,214	\$4,546,105	\$ -	\$ 4,546,105
Government grants	472,404	-	472,404	662,071	-	662,071
Contributed nonfinancial assets	772,639	-	772,639	681,585	-	681,585
Special events (net of direct benefits to donors of \$0 in 2024 and \$71,400 in 2023)	-	-	-	28,270	-	28,270
Interest income	42,722	-	42,722	26,785	-	26,785
Total public support and revenue	4,561,979	10,000	4,571,979	5,944,816	-	5,944,816
Expenses						
Program services	3,577,838	-	3,577,838	2,898,729	-	2,898,729
Supporting activities						
Management and general	306,224	-	306,224	163,511	-	163,511
Fundraising	205,829	-	205,829	183,274	-	183,274
Total supporting activities	512,053	-	512,053	346,785	-	346,785
Total expenses	4,089,891	-	4,089,891	3,245,514	-	3,245,514
Increase in net assets	472,088	10,000	482,088	2,699,302	-	2,699,302
Net assets, beginning of year	5,756,549	-	5,756,549	3,057,247	-	3,057,247
Net assets, end of year	\$6,228,637	\$ 10,000	\$6,238,637	\$5,756,549	\$ -	\$ 5,756,549

See notes to financial statements.

SOUTH ASIAN COUNCIL FOR SOCIAL SERVICES, INC.

Statement of Functional Expenses

Year Ended December 31, 2024

(With Summarized Comparative Information for the Year Ended December 31, 2023)

	Year Ended December 31				
	2024			2023	
	Management	Program Services	and General	Fundraising	Total
Salaries and related					
Salaries	\$ 1,209,097	\$ 139,252	\$ 103,381	\$ 1,451,730	\$ 1,143,781
Employee benefits and payroll taxes	223,108	25,696	19,076	267,880	205,465
Total salaries and related	<u>1,432,205</u>	<u>164,948</u>	<u>122,457</u>	<u>1,719,610</u>	<u>1,349,246</u>
Other					
Food pantry	1,620,485	-	-	1,620,485	1,234,313
Professional services	36,545	97,813	52,518	186,876	169,045
Catering, facilities and other	-	-	-	-	71,400
Advertising	7,925	-	-	7,925	8,668
Other occupancy expenses	24,942	2,873	2,132	29,947	49,134
Insurance	17,111	1,971	1,463	20,545	16,675
Office expenses	57,511	8,524	4,917	70,952	58,577
Rent	46,728	5,382	3,995	56,105	59,353
Repairs and maintenance	7,307	841	625	8,773	16,704
Programs and other expenses	119,804	-	-	119,804	44,889
Software license	26,389	3,039	2,256	31,684	51,723
Telephone	8,609	992	736	10,337	7,665
Travel and transportation	50,170	5,778	4,290	60,238	29,996
Term note/mortgage interest	-	-	-	-	13,384
Utilities	23,109	2,661	1,976	27,746	20,225
Depreciation	<u>98,998</u>	<u>11,402</u>	<u>8,464</u>	<u>118,864</u>	<u>115,917</u>
Total expenses	<u>3,577,838</u>	<u>306,224</u>	<u>205,829</u>	<u>4,089,891</u>	<u>3,316,914</u>
Less: direct benefits to donors net with revenue on the statement of activities	-	-	-	-	71,400
Total	<u>\$3,577,838</u>	<u>\$ 306,224</u>	<u>\$ 205,829</u>	<u>\$4,089,891</u>	<u>\$3,245,514</u>

See notes to financial statements.

SOUTH ASIAN COUNCIL FOR SOCIAL SERVICES, INC.

Statement of Cash Flows

	Year Ended December 31	
	2024	2023
Cash flows from operating activities		
Increase in net assets	\$ 482,088	\$ 2,699,302
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities		
Depreciation	118,864	115,917
Amortization of right-of-use asset – operating lease	56,105	-
Capital fund contribution	-	(2,362,500)
(Increase) decrease in assets		
Grants and pledges receivable	(861,609)	485,878
Prepaid expenses	(82,166)	(798)
Security deposits	-	(4,000)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	(53,757)	154,417
Deferred grants revenue	(86,547)	64,250
Repayment of operating lease payable	(56,105)	-
Net cash provided by (used in) operating activities	<u>(483,127)</u>	<u>1,152,466</u>
Cash flows (used in) investing activities		
Purchases of property and equipment	<u>(7,955)</u>	<u>(258,601)</u>
Cash flows from financing activities		
Capital fund contribution	-	2,362,500
Repayment of long-term debt	-	(2,398,413)
Net cash (used in) operating activities	-	(35,913)
Net increase (decrease) in cash and cash equivalents	(491,082)	857,952
Cash and cash equivalents, beginning of year	1,782,375	924,423
Cash and cash equivalents, end of year	<u>\$ 1,291,293</u>	<u>\$ 1,782,375</u>

See notes to financial statements.

SOUTH ASIAN COUNCIL FOR SOCIAL SERVICES, INC.

Notes to Financial Statements December 31, 2024

Note 1 – Nature of organization

South Asian Council for Social Services, Inc. (the “Organization”) was organized as a nonprofit corporation under the laws of the state of New York. The Organization is exempt from federal income tax under Internal Revenue Service Code 501(c)(3) as a public charity. The Organization focuses on the social service needs of South Asians throughout the New York City metropolitan area. It also advocates for community and economic development within South Asian and other immigrant communities. The primary activities of the Organization are providing access to healthcare, senior services, food security, and education programs, including computer literacy and English for Speakers of Other Languages classes.

Note 2 – Summary of significant accounting policies

Basis of presentation

The accompanying financial statements are prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America.

Financial statement presentation

The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States, which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

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 Organization’s management and Board of Directors.

Net assets with donor restrictions

Net assets subject to stipulations imposed by donors and granters. The donor restrictions are temporary in nature and those restrictions will be met by the actions of the Organization or the passage of time. 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 statement of activities as net assets released from restrictions.

Operating income performance measurement

The Organization considers the increase in net assets from operations, including revenue and expenses directly related to program services, on the accompanying statement of activities to be the operating income for performance measurement purposes. The Organization considers capital fund contributions as non-operating.

Cash equivalents

The Organization considers all highly liquid investments with an original maturity of 90 days or less to be cash equivalents.

SOUTH ASIAN COUNCIL FOR SOCIAL SERVICES, INC.

Notes to Financial Statements (continued) December 31, 2024

Note 2 – Summary of significant accounting policies (continued)

Allowance for credit losses

As of December 31, 2024 and December 31, 2023, all receivables from government agencies are receivable in less than one year. The Organization bases its allowance for credit losses on its historical loss experience, the age of the receivables, and an evaluation of the creditworthiness of the donor. The Organization deems all accounts receivable to be collectible and accordingly, does not have an allowance for credit losses. Such estimate is based on management's experience, the aging of the receivables, subsequent receipts, current economic conditions and anticipated future economic conditions. The Organization did not have any bad debt write-offs in 2024 or 2023.

Deferred grants

Deferred grants represents revenue that has been deferred for the funds advanced by various government agencies and foundations for the Organization's contracts related to services that have not yet been provided to customers. Deferred grants revenue consist of payments made by funding sources for the Organization's contracts for services not yet performed and are expected to be performed within the next calendar year.

Property and equipment

The Organization capitalizes as property and equipment, expenditures over a useful life greater than one year and costing \$5,000 or more, are stated at cost or fair market value, if donated. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from 3 to 39 years. Finance leases and leasehold improvements are amortized over either the remaining term of the underlying lease or the useful lives of the improvements, whichever is shorter, using the straight-line method.

Revenue recognition

The Organization receives grants in exchange for the performance of various services. The Organization recognizes grant revenue as the expenses are incurred to a maximum of the awards.

Special event revenue is recognized when earned, which is at the time the event occurs.

The Organization's revenue for the years ended December 31, 2024 and December 31, 2023 is recognized at a point in time.

Contributions

Contributions are recognized when a donor makes a promise to give to the Organization, that is, in substance, unconditional. Contributions received are recorded as increases in net assets without donor restrictions or net assets with donor restrictions depending on the existence of any donor restrictions.

SOUTH ASIAN COUNCIL FOR SOCIAL SERVICES, INC.

Notes to Financial Statements (continued) December 31, 2024

Note 2 – Summary of significant accounting policies (continued)

Contributions (continued)

Contributions, including unconditional promises to give, are recognized as revenue in the period received. Contributions of assets other than cash are recorded at their estimated fair value at the date of donation. Conditional promises to give – that is those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

Government grants

The Organization receives grants from government agencies that are conditioned upon incurring qualifying expenditures. Revenue from these grants is generally recognized on a reimbursement basis, that is, when qualifying expenditures are incurred by the Organization. Grants are also generally restricted by the grantor for a specified purpose. Grants whose conditions are met in the same reporting period that the revenue is recognized are recorded as increases in net assets without donor restrictions.

Costs are allocated to these grants in accordance with established procedures. Cost reimbursements under government contracts are subject to audit and adjustment by the various government agencies. The effects of any potential audit disallowances are not reflected in the accompanying financial statements and management does not believe that any potential audit disallowances would have a material effect on the financial statements.

Service revenue

The Organization receives funding from New York City and New York State through fees and government grants. Revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing the contracted services. These amounts are due from third-party payors (including government programs). Generally, the Organization bills the third-party payors several days after the services are performed. Revenue is recognized as performance obligations are satisfied.

Contributed nonfinancial assets

Donated services are included in the financial statements as support and expenses in those cases where the services provided: (1) create or enhance nonfinancial assets or (2) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. The value of contributions of casual or occasional services is not included in the financial statements since the recognition criteria were not met. For the years ended December 31, 2024 and December 31, 2023, the Organization received donations of food supplies totaling \$772,639 and \$681,585, respectively.

A number of volunteers, including members of the Board of Directors, have donated significant amounts of their time in the Organization' program services, management and general services and fundraising campaigns. These donated services have not been recorded in the accompanying statement of activities because they do not meet the criteria for recording such services.

SOUTH ASIAN COUNCIL FOR SOCIAL SERVICES, INC.

Notes to Financial Statements (continued) December 31, 2024

Note 2 – Summary of significant accounting policies (continued)

Operating leases

The Organization follows the current lease accounting standards, which establishes a right-of-use (“ROU”) model that requires a lessee to record an ROU asset, which represents the right to use a respective asset for the lease term, and a lease liability on the statement of financial position for the remaining future payments due under the lease. The Organization has elected to exclude leases with terms shorter than twelve months. The Organization has determined that that it is not material to discount its leases to their net present value.

Functional allocation of expenses

The costs of providing the Organization’s various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs services and supporting activities benefited. Expenses attributable to more than one functional expense category are allocated using an estimate of time and effort spent.

Comparative information

The financial statements include certain prior-year summarized comparative information in total but not by functional expense classification. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization’s financial statements for the year ended December 31, 2023, from which the summarized information was derived.

Concentrations of credit risk

The Organization’s financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash, cash equivalents and receivables. The Organization places its cash and cash equivalents with what it believes to be quality financial institutions. At times during the year, the balance in the Organization’s cash accounts exceeded the FDIC insurance limit, however, the Organization has not incurred any losses to date. The receivables consist of contributions from donors. The Organization’s management monitors the collectability of its receivables on an ongoing basis. As a result, the Organization believes no significant concentrations of credit risk exists with respect to its cash, cash equivalents and receivables.

Concentration of support

Grants from four grantor agencies accounted for 75% of grants receivable as of December 31, 2023.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Actual results could differ from these estimates.

SOUTH ASIAN COUNCIL FOR SOCIAL SERVICES, INC.

Notes to Financial Statements (continued) December 31, 2024

Note 2 – Summary of significant accounting policies (continued)

Reclassification

Certain items in the 2023 financial statements have been reclassified to conform to the current year presentation.

Subsequent events

The Organization has evaluated events and transactions for potential recognition or disclosure through October 8, 2025, which is the date the financial statements were available to be issued.

Note 3 – Liquidity and availability of financial assets

The Organization's working capital and cash flows vary due to the timing of payments for contributions, government grants, and other revenue items. The following is a summary of the Organization's financial assets as of December 31, 2024 and December 31, 2023 available to pay general expenditures within one year of the statement of financial position date:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 1,291,293	\$ 1,782,375
Grants and pledges receivable	<u>1,931,328</u>	<u>1,069,719</u>
Total	<u>\$ 3,222,621</u>	<u>\$ 2,852,094</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

Note 4 – Receivables and deferred revenue

The following is a summary of the Organization's grants and pledges receivable and deferred grants revenue for the years ended December 31, 2024 and December 31, 2023:

	<u>2024</u>	<u>2023</u>
Grants and pledges receivable, beginning of year	\$ 1,069,719	\$ 1,555,597
Grants and pledges receivable, end of year	1,931,328	1,069,719
Deferred grants revenue, beginning of year	375,000	310,750
Deferred grants revenue, end of year	288,453	375,000

SOUTH ASIAN COUNCIL FOR SOCIAL SERVICES, INC.

Notes to Financial Statements (continued)
December 31, 2024

Note 5 – Property and equipment

Property and equipment consist of the following as of December 31, 2024 and December 31, 2023:

	<u>2024</u>	<u>2023</u>
Land	\$ 54,000	\$ 54,000
Building and building improvements	3,600,740	3,600,740
Furniture, fixtures and equipment	<u>115,181</u>	<u>107,226</u>
Total property and equipment	3,769,921	3,761,966
Less: accumulated depreciation	<u>448,546</u>	<u>329,682</u>
Net property and equipment	\$ 3,321,375	\$ 3,432,284

Note 6 – Operating lease

In January 2013, the Organization entered into an agreement to lease office space, commencing January 2013 for a term of five years through January 2018 with an option to renew for an additional five-year period. The lease required monthly lease payments of \$3,000 in the first year and escalated to monthly payments of \$3,510 in the last year of the lease. In connection with the lease, the Organization paid a security deposit of \$6,000, which is included in security deposits in the statement of financial position. In February 2018, the Organization extended this lease agreement for an additional five years through January 2023. The lease called for monthly lease payments of \$3,650 in the first year and escalated to monthly payments of \$4,270 in the last year of the lease.

In January 2023, the Organization entered into an agreement to extend the lease for its office space, commencing January 2023 through January 2028. The lease requires monthly lease payments of \$4,932 increasing to \$5,665 per month during the final five years of the lease.

The future minimum annual lease payments are as follows as of December 31, 2024:

<u>Year</u>	<u>Amount</u>
2025	\$ 63,304
2026	65,596
2027	<u>67,980</u>
Total operating lease liability	196,880
Less: current portion	<u>63,304</u>
Long-term portion	\$ 133,576
Operating lease cost in 2024	<u>\$ 56,105</u>
ROU assets obtained in 2024	<u>\$ 252,985</u>

Rent expense totaled \$56,105 and \$51,733 for the years ended December 31, 2024 and December 31, 2023, respectively.

SOUTH ASIAN COUNCIL FOR SOCIAL SERVICES, INC.**Notes to Financial Statements (continued)**
December 31, 2024**Note 7 – Capital fund contribution**

The Organization received a \$2,362,500 capital fund contribution, which is included in grants and contributions on the 2023 statement of activities, from the New York City Economic Development Corporation and fully repaid its mortgage loan (\$2,015,000) and term note (\$500,000) on April 5, 2023.

Note 8 – Retirement plan

The Organization maintains a SIMPLE IRA retirement plan (the “Plan”) for all eligible employees. Eligible employees may contribute a portion of their compensation not to exceed the limit established by the Internal Revenue Service. The Organization matches employee contributions not to exceed 3% of compensation. In connection with the Plan, the Organization incurred costs related to contributions totaling \$21,507 and \$18,996 for years ended December 31, 2024 and December 31, 2023, respectively.

Note 9 – Tax status

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the “Code”). In addition, the Organization has been determined by the Internal Revenue Service to be a publicly supported organization, and not a private foundation as described in Sections 509(a)(1) and 170(b)(1)(A)(vi) of the Code. The Organization qualifies for the maximum charitable deduction for donors.