



**CHINESE COMMUNITY  
CENTER, INC.**

**FINANCIAL STATEMENTS AND  
SINGLE AUDIT REPORTS**

DECEMBER 31, 2024 AND 2023  
*(With Independent Auditor's Reports Thereon)*

# CHINESE COMMUNITY CENTER, INC.

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors of  
**Chinese Community Center, Inc.**

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Chinese Community Center, Inc. (the Organization), a nonprofit organization, which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of 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) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Responsibilities of Management for the Financial Statements

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

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

## Auditor's Responsibilities for the Audit of the Financial Statements

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

## Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2025 on our consideration of the Organization's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

*Doeren Mayhew Assurance*

Houston, Texas  
June 13, 2025

# CHINESE COMMUNITY CENTER, INC.

## STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2024 AND 2023

<b><u>Assets</u></b>	<b><u>2024</u></b>	<b><u>2023</u></b>
Cash and cash equivalents (Note 3)	\$ 684,182	\$ 1,002,471
Contributions receivable (Notes 3 and 4)	398,040	226,916
Government grants receivable	97,383	197,200
Insurance receivables	68,442	19,943
Prepaid expenses and other assets	112,192	109,090
Investments (Note 5)	5,644,805	3,695,857
Property and equipment, net (Notes 6 and 10)	10,612,807	10,796,385
Amounts held for others	63,885	56,220
	<u>                    </u>	<u>                    </u>
Total assets	<u>\$ 17,681,736</u>	<u>\$ 16,104,082</u>
<b><u>Liabilities and Net Assets</u></b>		
Liabilities:		
Accounts payable	\$ 73,240	\$ 115,404
Accrued liabilities	166,872	167,478
Deferred revenue	101,962	14,720
Amounts held for others	63,885	56,220
	<u>                    </u>	<u>                    </u>
Total liabilities	<u>405,959</u>	<u>353,822</u>
Net assets:		
Net assets without donor restrictions	16,748,983	15,368,536
Net assets with donor restrictions (Note 8)	526,794	381,724
	<u>                    </u>	<u>                    </u>
Total net assets	<u>17,275,777</u>	<u>15,750,260</u>
Total liabilities and net assets	<u>\$ 17,681,736</u>	<u>\$ 16,104,082</u>

See accompanying notes to financial statements

# CHINESE COMMUNITY CENTER, INC.

## STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenue:						
Public support:						
Contributions of cash and other financial assets and nongovernmental grants (Note 3)	\$ 2,255,621	\$ 1,254,580	\$ 3,510,201	\$ 273,599	\$ 950,701	\$ 1,224,300
Government grants (Note 3)	-	855,171	855,171	-	2,216,706	2,216,706
United Way contributions	-	420,268	420,268	-	388,225	388,225
Net assets released from restrictions (Note 9)	2,384,949	(2,384,949)	-	3,629,358	(3,629,358)	-
Total public support	4,640,570	145,070	4,785,640	3,902,957	(73,726)	3,829,231
Revenue:						
Tuition	428,456	-	428,456	435,945	-	435,945
Rental income (Note 10)	146,535	-	146,535	163,455	-	163,455
Program service fees	425,924	-	425,924	384,179	-	384,179
Activity fees	110,029	-	110,029	146,537	-	146,537
Special events (net of direct benefits of \$78,395 and \$41,430, respectively)	400,363	-	400,363	344,704	-	344,704
Investment income	317,704	-	317,704	162,272	-	162,272
Other (Note 12)	18,817	-	18,817	771,383	-	771,383
Total revenue	1,847,828	-	1,847,828	2,408,475	-	2,408,475
Total public support and revenue	6,488,398	145,070	6,633,468	6,311,432	(73,726)	6,237,706
Program expenses:						
Social programs	1,287,550	-	1,287,550	1,274,492	-	1,274,492
Senior programs	910,489	-	910,489	818,254	-	818,254
Culture and community programs	215,636	-	215,636	299,183	-	299,183
Youth programs	515,057	-	515,057	530,940	-	530,940
Child development programs	747,123	-	747,123	812,512	-	812,512
Total program expenses	3,675,855	-	3,675,855	3,735,381	-	3,735,381
Fund development expenses	342,647	-	342,647	238,393	-	238,393
Building expenses	365,120	-	365,120	369,362	-	369,362
Administrative expenses	724,329	-	724,329	772,288	-	772,288
Total expenses	5,107,951	-	5,107,951	5,115,424	-	5,115,424
Change in net assets	1,380,447	145,070	1,525,517	1,196,008	(73,726)	1,122,282
Net assets, beginning of year	15,368,536	381,724	15,750,260	14,172,528	455,450	14,627,978
Net assets, end of year	\$ 16,748,983	\$ 526,794	\$ 17,275,777	\$ 15,368,536	\$ 381,724	\$ 15,750,260

See accompanying notes to financial statements

# CHINESE COMMUNITY CENTER, INC.

## STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED DECEMBER 31, 2024

	Program Expenses									
	Social Programs	Senior Programs	Culture and Community Programs	Youth Programs	Child Development Programs	Total	Fund Development Expenses	Building Expenses	Administrative Expenses	Total Expenses
Salaries and related costs	\$ 713,809	\$ 461,449	\$ 72,248	\$ 247,588	\$ 569,562	\$ 2,064,656	\$ 285,540	\$ 199,991	\$ 602,834	\$ 3,153,021
Activities	58,848	126	98	15,100	-	74,172	5,600	-	20,900	100,672
Advertising	1,199	320	3,798	115	160	5,592	5,168	-	300	11,060
Audit, tax preparation and legal	9,278	8,944	3,500	8,556	5,056	35,334	-	5,056	10,806	51,196
Auto expense	69	6,827	-	2,643	-	9,539	192	-	972	10,703
Contract services	211,364	34,652	28,454	9,485	5,513	289,468	93,547	10,132	47,166	440,313
Depreciation	86,377	122,895	38,876	100,897	56,154	405,199	-	56,154	-	461,353
Direct assistance to individuals	63,750	-	-	-	-	63,750	-	-	-	63,750
Equipment rental and maintenance	4,409	15,892	13,780	3,142	4,736	41,959	3,650	21,849	4,758	72,216
Food	5,362	92,475	3,999	23,117	27,134	152,087	9,142	466	12,180	173,875
Insurance	38,062	46,924	17,788	43,584	25,796	172,154	-	25,693	105	197,952
Permit and license	34,902	77,874	16,094	38,909	22,816	190,595	-	21,522	-	212,117
Postage and shipping	12,284	10,823	1,036	741	4,161	29,045	1,815	3,822	1,526	36,208
Print, publication and training material	6,444	139	-	-	-	6,583	473	-	5	7,061
Occupancy	1,222	220	30	230	190	1,892	1,795	45	1,920	5,652
Staff development and training	824	6,103	613	372	1,627	9,539	4,472	-	5,469	19,480
Supplies	1,737	10,862	5,555	3,428	5,796	27,378	4,146	12,578	4,032	48,134
Telephone	14,411	10,798	6,019	9,456	5,840	46,524	864	6,457	1,064	54,909
Travel and meeting	6,779	8	707	178	430	8,102	379	-	3,291	11,772
Other	16,420	3,158	3,041	7,516	12,152	42,287	4,259	1,355	7,001	54,902
<b>Total expenses by function</b>	<b>1,287,550</b>	<b>910,489</b>	<b>215,636</b>	<b>515,057</b>	<b>747,123</b>	<b>3,675,855</b>	<b>421,042</b>	<b>365,120</b>	<b>724,329</b>	<b>5,186,346</b>
Less: expenses included with revenues on the statement of activities - cost of direct benefits to donors	-	-	-	-	-	-	(78,395)	-	-	(78,395)
<b>Total expenses included in the expense section on the statement of activities</b>	<b>\$ 1,287,550</b>	<b>\$ 910,489</b>	<b>\$ 215,636</b>	<b>\$ 515,057</b>	<b>\$ 747,123</b>	<b>\$ 3,675,855</b>	<b>\$ 342,647</b>	<b>\$ 365,120</b>	<b>\$ 724,329</b>	<b>\$ 5,107,951</b>

See accompanying notes to financial statements

# CHINESE COMMUNITY CENTER, INC.

## STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED DECEMBER 31, 2023

	Program Expenses									
	Social Programs	Senior Programs	Culture and Community Programs	Youth Programs	Child Development Programs	Total	Fund Development Expenses	Building Expenses	Administrative Expenses	Total Expenses
Salaries and related costs	\$ 768,189	\$ 407,186	\$ 85,084	\$ 255,001	\$ 627,473	\$ 2,142,933	\$ 211,576	\$ 204,484	\$ 577,968	\$ 3,136,961
Activities	139,836	885	5,147	25,826	47	171,741	1,950	227	29,313	203,231
Advertising	95	526	4,027	195	-	4,843	1,338	-	-	6,181
Audit, tax preparation and legal	7,173	8,249	3,228	7,896	4,774	31,320	-	4,663	122,545	158,528
Auto expense	-	10,581	-	3,841	-	14,422	-	-	6	14,428
Contract services	149,297	32,302	91,752	4,608	9,051	287,010	2,770	13,752	15,178	318,710
Depreciation	88,460	118,847	39,807	104,952	57,499	409,565	-	57,499	-	467,064
Equipment rental and maintenance	3,217	11,904	15,800	3,561	3,694	38,176	1,023	22,122	4,788	66,109
Food	56	79,450	2,012	24,955	29,617	136,090	4,702	43	190	141,025
Insurance	34,235	40,689	15,682	38,452	22,771	151,829	-	22,651	105	174,585
Permit and license	15,180	6,159	1,331	505	6,123	29,298	2,037	3,773	907	36,015
Postage and shipping	2,945	157	12	29	17	3,160	2,311	17	29	5,517
Print, publication and training material	1,906	83	1,119	100	938	4,146	2,382	-	41	6,569
Occupancy	32,711	71,567	15,138	36,473	21,385	177,274	33,414	20,159	606	231,453
Staff development and training	1,733	3,613	1,902	120	3,598	10,966	3,162	-	7,341	21,469
Supplies	5,522	10,803	5,963	3,304	9,113	34,705	8,017	9,171	1,600	53,493
Telephone	13,560	11,824	5,775	10,511	6,463	48,133	925	7,080	1,235	57,373
Travel and meeting	4,807	1,262	226	156	380	6,831	1,245	275	8,469	16,820
Other	5,570	2,167	5,178	10,455	9,569	32,939	2,971	3,446	1,967	41,323
<b>Total expenses by function</b>	<b>1,274,492</b>	<b>818,254</b>	<b>299,183</b>	<b>530,940</b>	<b>812,512</b>	<b>3,735,381</b>	<b>279,823</b>	<b>369,362</b>	<b>772,288</b>	<b>5,156,854</b>
Less: expenses included with revenues on the statement of activities - cost of direct benefits to donors	-	-	-	-	-	-	(41,430)	-	-	(41,430)
<b>Total expenses included in the expense section on the statement of activities</b>	<b>\$ 1,274,492</b>	<b>\$ 818,254</b>	<b>\$ 299,183</b>	<b>\$ 530,940</b>	<b>\$ 812,512</b>	<b>\$ 3,735,381</b>	<b>\$ 238,393</b>	<b>\$ 369,362</b>	<b>\$ 772,288</b>	<b>\$ 5,115,424</b>

See accompanying notes to financial statements

# CHINESE COMMUNITY CENTER, INC.

## STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2024 AND 2023

	<b>2024</b>	<b>2023</b>
Cash flows from operating activities:		
Change in net assets	\$ 1,525,517	\$ 1,122,282
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	461,353	467,065
Discount on pledges receivable	-	1,429
Unrealized gain on investments	(196,046)	(75,821)
(Increase) decrease in operating assets:		
Government grants receivable	99,817	(81,309)
Contributions receivable	(171,124)	285,632
Insurance receivables	(48,499)	(950)
Prepaid expenses and other assets	(3,103)	(9,351)
Increase (decrease) in operating liabilities:		
Accounts payable	(42,164)	(4,937)
Accrued liabilities	(606)	48,759
Deferred revenue	87,242	4,830
	<b>1,712,387</b>	<b>1,757,629</b>
Cash flows from investing activities:		
Purchases of property and equipment	(277,775)	(276,181)
Purchases of investments	(2,303,549)	(1,519,055)
Sales of investments	550,648	-
	<b>(2,030,676)</b>	<b>(1,795,236)</b>
Net decrease in cash and cash equivalents	<b>(318,289)</b>	<b>(37,607)</b>
Cash and cash equivalents, beginning of year	<b>1,002,471</b>	<b>1,040,078</b>
Cash and cash equivalents, end of year	<b>\$ 684,182</b>	<b>\$ 1,002,471</b>

See accompanying notes to financial statements

# CHINESE COMMUNITY CENTER, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

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### Note 1 - Description of Organization

Chinese Community Center, Inc. (the Organization) is a nonprofit organization whose mission is to enhance and enrich the lives of individuals through cultural programs, education and social services. The programs and services include the following:

*Social Programs* - These programs provide a wide range of workforce development services, utility assistance and financial assistance. Workforce development services include adult ESL programs, job training, and computer training. The Organization provides utility assistance through the Comprehensive Energy Assistance Program whereby they assist low-income households in meeting their immediate energy needs and encourage consumers to control energy costs through energy education. The Organization has a Financial Opportunities Center that is a career and personal financial service center for low-to-moderate income individuals. This center also provides services in employment placement, career improvement, financial education and access to public benefits. The Senior Community Service Employment Program (SCSEP) serves limited and non-English speaking Asian and Pacific Islander seniors and concentrates on improving job skills to enable them to find full or part-time unsubsidized employment.

*Senior Programs* - These programs provide older adults with recreation, social services, and health care. The programs include Day Activity and Health Services Program (DAHS), Wellness program, Wan Yuan Senior Companionship, caregiver services and various health classes. The Organization began the DAHS and Wellness Programs in 2019 and 2021, respectively, upon the completion of the New Horizons Expansion Project, which was funded through contributions and Community Development Block Grant funds, passed through from the City of Houston. The DAHS program provides health services, recreational events and activities, and nutritious meals, creating opportunities for adults to connect with others and to improve their physical, social, cultural, emotional, and spiritual growth. The Wellness Program offers fitness and recreation classes for the seniors. The caregiver services include monthly workshops in healthcare, culture, and community resources to educate seniors and caregivers in various topics. The companionship program provides long-term volunteer companions to the senior community on a one-on-one basis.

*Culture and Community Programs* - These programs offer language school, Asian heritage tours and the Lunar New Year festival to provide youth and adults opportunities to learn and discover Asian culture.

*Youth Programs* - These programs provide after school activities, spring break camp, summer camp, winter camp, community services, and leadership activities to new immigrant youths and youths from low- and moderate-income families.

*Child Development Programs* - These programs focus on toddlers and pre-school children and provide opportunities for the development of social skills, fine motor skills and early-school education.

### Note 2 - Summary of Significant Accounting Policies

#### Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net assets without donor restrictions* - Net assets not subject to donor (or certain grantor) restrictions and available for use in general operations at the discretion of management.

# CHINESE COMMUNITY CENTER, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

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*Net assets with donor restrictions* - Net assets that are subject to donor (or certain grantor) imposed restrictions. Some restrictions are temporary in nature, such as those that will be met by either action or passage of time. Other restrictions are perpetual in nature, where the donor stipulates that those resources be maintained in perpetuity. Net assets with donor restrictions are reclassified to net assets without donor restrictions and reported on the statement of activities and changes in net assets as net assets released from restrictions when the restriction has been met either through the expiration of time or satisfying the restricted purpose. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support and are released from restrictions when the donated or acquired long-lived assets are placed in service.

### Cash and Cash Equivalents

For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less at time of purchase are considered to be cash equivalents.

### Contributions Receivable

Contributions are recorded as revenue in the year they are received unless they contain a conditional promise to give. Contributions receivable that are expected to be collected within one year are recorded at net realizable value. Amounts that are expected to be collected in future years are discounted to estimate the present value of future cash flows, if material. An allowance for uncollectible accounts is provided when it is believed that amounts may not be collected in full. The allowance is based on historical experience, assessment of economic conditions, and a review of subsequent collections. Management determined that no allowance for uncollectible contributions receivable was required as of December 31, 2024 and 2023.

### Accounts Receivable

Government grants receivable represent amounts due to the Organization from federal and local agencies. Insurance receivables represent amounts due from health insurance carriers for services provided to older adults in the DAHS program. An allowance for credit losses is provided when it is believed amounts may not be collected in full. The amount of bad debt expense recognized each period and the adequacy of the credit loss allowance at the end of each period are determined using a combination of historical experience and management's assessment of specific identifiable accounts considered at risk or uncollectible. Receivables are written off as a charge to the allowance for credit losses when management determines the receivables will not be collected. It is possible that management's estimates regarding the collectability of the balances will change in the near term resulting in a change in carrying value of these receivables. At December 31, 2024 and 2023, management determined that no allowance for credit losses was required.

### Investments

Investments are recorded at fair value. Investment income includes interest and dividend income, realized gains and losses, and unrealized gains and losses, less investment related expenses. Investment income is reported in the statement of activities and changes in net assets as an increase in net assets without donor restrictions unless the use of the income is limited by donor-imposed restrictions. Investment income whose use is restricted by the donor is reported as an increase in net assets with donor restrictions until expended in accordance with donor-imposed restrictions.

# CHINESE COMMUNITY CENTER, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

### Property and Equipment

Property and equipment are recorded at cost if purchased. Donated property and equipment are recorded at fair value at the date of donation. Depreciation is recorded on the straight-line method based upon the estimated useful life of the related asset. The useful lives are as follows:

Building and improvements	39 years
Furniture and equipment	5 - 7 years
Fixtures	5 -15 years
Vehicles	5 - 7 years

Gains or losses on the sales of property and equipment and the proceeds from such sales which are not legally required or expected to be reinvested in property and equipment are reflected as changes in net assets without restrictions. Maintenance and repairs are charged to expense while expenditures for improvements greater than \$1,500 are capitalized.

### Amounts Held for Others

Amounts held for others represents cash and cash equivalents of one volunteer nonprofit organization that are held in custody by the Organization.

### Revenue Recognition

*Contributions* are recorded as revenue when an unconditional commitment is received from the donor or grantor. Contributions are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor or grantor-imposed restrictions. Conditional promises to give are those that contain a measurable performance obligation or other barrier, as well as a right of return, and are not recognized until the conditions on which they depend have been met. If funds are received in advance of the condition being met, they are recorded as deferred revenue. At December 31, 2024, the Organization had \$56,750 recorded in deferred revenue for contributions received in advance of conditions being met.

*Contributed property and equipment* are reflected at their estimated fair value at the date of receipt. Contributed property and equipment is recognized as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as donor-restricted support and absent explicit donor stipulations about how long those long-lived assets must be maintained, are released from donor restrictions when the donated or acquired long-lived assets are placed in service.

*Donated services* are recorded at fair value if the recognition requirements of GAAP are met. Volunteers have contributed significant amount of time to support the Organization's programs, services, fundraising efforts and administration. No amounts have been reflected in the financial statements for these services since they do not meet the criteria for revenue recognition under GAAP.

*Government grants* represent cost-reimbursable contracts and grants, which are conditioned upon the incurrence of allowable qualifying expenses. Amounts are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as a refundable advance within deferred revenue in the statement of financial position. The Organization has been awarded cost-reimbursable grants of \$369,440 and \$1,182,798 that have not been recognized as revenue at December 31, 2024 and 2023, respectively, because qualifying expenditures have not yet been incurred.

# CHINESE COMMUNITY CENTER, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

*Tuition* represents amounts assessed against students for educational purposes or childcare services. The performance obligation of delivering educational or childcare services is simultaneously received and consumed by the students or children; therefore, the revenue is recognized ratably over the period that the service is provided. Tuition received prior to year-end and applicable to the upcoming year has been reported as deferred revenue on the statement of financial position. The following table provides information about significant changes in deferred tuition for the year ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Deferred tuition, beginning of year	\$ 14,720	\$ 9,890
Revenue recognized that was included in deferred tuition at beginning of year	(14,720)	(9,890)
Increase due to cash received during the period	<u>17,837</u>	<u>14,720</u>
Deferred tuition, end of year	<u>\$ 17,837</u>	<u>\$ 14,720</u>

*Rental income* is recognized as rent becomes due. Rental payments received in advance are deferred until earned. At December 31, 2024, the Organization had \$27,375 recorded in deferred revenue for rental payments received in advance and none at December 31, 2023.

*Program service and activity fees* are recognized in the period that services are provided at the estimated net realizable amounts. Activity membership fees, which are non-refundable, are based on the value of the benefits provided and are recognized over the membership period.

*Special events revenue* is comprised of an exchange element and a contribution element, with recognition occurring when the event is held and net of the costs of direct benefits received by donors.

*Contributed services* that meet the revenue recognition requirements of GAAP are recorded at estimated fair value when received. To be recognized as revenue the donated services must either (a) create or enhance the nonfinancial assets or (b) require specialized skills provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

### Functional Allocation of Expenses

The costs of providing various programs and activities have been summarized on a functional basis according to the purpose for which the expenses were incurred. Certain expenses pertaining to more than one program were allocated based on square footage or other reasonable methods such as time studies.

### Reclassifications

Certain amounts in the prior year financial statements have been reclassified to conform with the current year presentation. These reclassifications had no impact on net assets.

### Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with GAAP. These estimates and assumptions affect the reported amounts of assets and liabilities, the amounts of reported revenues and expenses, and the allocation of expenses among various functions. Accordingly, actual results could vary from the estimates that were used.

# CHINESE COMMUNITY CENTER, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

### Subsequent Events

Management has evaluated subsequent events through June 13, 2025, which is the date the financial statements were available to be issued and has recorded or disclosed all significant subsequent events in these financial statements.

### **Note 3 - Concentrations**

#### Public Support and Revenue

For the year ended December 31, 2024, contributions of \$2,360,000 from two donors were in excess individually of 10% of total contributions and nongovernmental grants. For the year ended December 31, 2023, contributions of \$148,013 from one donor were in excess individually of 10% of total contributions and nongovernmental grants. For the years ended December 31, 2024 and 2023, approximately 18% and 21%, respectively, of total public support and revenue was obtained from grants that were funded either directly or indirectly by the United States Federal Government.

#### Cash in Excess of FDIC Insurance

Cash is maintained in bank deposit accounts which, at times, may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation up to \$250,000 per depositor. As of December 31, 2024 and 2023, amounts in excess of the insured limits were \$137,306 and \$566,905, respectively. Management believes that the credit risk is mitigated by the financial strength of the financial institution where the deposits are held.

### **Note 4 - Contributions Receivable**

Contributions receivable consist of the following at December 31:

	<u>2024</u>	<u>2023</u>
Amounts to be collected within one year	\$ 278,040	\$ 226,916
Amounts to be collected one to five years	120,000	-
Total contributions receivable	<u>\$ 398,040</u>	<u>\$ 226,916</u>

### **Note 5 - Fair Value Measurements**

The Organization's financial instruments are recorded at fair value. In accordance with GAAP, "fair value" is defined as 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. The three-tier hierarchy of inputs is summarized in the three broad levels listed below:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

Level 3 - Significant unobservable inputs (including the Organization's own assumption in determining fair value of investments).

The asset's 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. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

# CHINESE COMMUNITY CENTER, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

Fair values of the Organization's assets measured on a recurring basis at December 31, 2024 and 2023 are as follows:

	<b>December 31, 2024</b>			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 2,396,192	\$ -	\$ -	\$ 2,396,192
Certificates of deposit	-	3,248,613	-	3,248,613
Total investments	<u>\$ 2,396,192</u>	<u>\$ 3,248,613</u>	<u>\$ -</u>	<u>\$ 5,644,805</u>
	<b>December 31, 2023</b>			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 1,530,368	\$ -	\$ -	\$ 1,530,368
Certificates of deposit	-	2,165,489	-	2,165,489
Total investments	<u>\$ 1,530,368</u>	<u>\$ 2,165,489</u>	<u>\$ -</u>	<u>\$ 3,695,857</u>

Mutual funds are valued at the year-end closing price as reported on the active market in which the individual fund is traded. Certificates of deposit are valued at cost plus accrued interest, giving consideration to the creditworthiness of the issuer. There have been no changes in methodologies that were used at December 31, 2024 or 2023.

The inputs or methodology used to measure investments are not necessarily indicative of the risk of investing in a particular security. Investments are exposed to various risks such as interest rate, market and credit risks. Because of these risks, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statement of financial position and statement of activities.

### **Note 6 - Property and Equipment**

Property and equipment are comprised of the following at December 31:

	<b>2024</b>	<b>2023</b>
Buildings and improvements	\$ 11,908,168	\$ 12,300,030
Land improvements	317,907	317,907
Furniture and equipment	433,776	414,588
Vehicles	179,598	155,880
Gross amount subject to depreciation	12,839,449	13,188,405
Less: accumulated depreciation	(3,472,462)	(3,637,840)
Net amount subject to depreciation	9,366,987	9,550,565
Land	1,245,820	1,245,820
Total	<u>\$ 10,612,807</u>	<u>\$ 10,796,385</u>

# CHINESE COMMUNITY CENTER, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

### Note 7 - Income Taxes

The Organization is exempt from income taxes under §501(c)(3) of the U.S. Internal Revenue Code (the Code) and comparable State law, and contributions to it are tax deductible within the limitations prescribed by the Code. The Organization has been classified as a publicly supported organization which is not a private foundation under §509(a) of the Code. GAAP requires management to evaluate tax positions taken by the Organization and recognize a tax liability if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service (IRS). Management has analyzed the tax positions taken by the Organization and has concluded that there are no significant uncertain tax positions requiring recognition or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization is no longer subject to income tax examinations by taxing authorities for the years before 2021.

### Note 8 - Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following at December 31:

	<u>2024</u>	<u>2023</u>
Social programs	\$ 142,004	\$ 158,183
Senior programs	16,874	131,875
Child development programs	100,833	79,166
Youth programs	27,083	12,500
General operations - future periods	240,000	-
Total net assets with donor restrictions	<u>\$ 526,794</u>	<u>\$ 381,724</u>

### Note 9 - Net Assets Released from Restrictions

During 2024 and 2023, net assets were released from donor or grantor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of events specified by the donors or grantors as follows:

	<u>2024</u>	<u>2023</u>
Child development programs	\$ 224,646	\$ 1,640,699
Social programs	1,259,269	1,126,070
Senior programs	499,774	571,222
Youth programs	190,976	200,454
Culture and community programs	40,284	90,913
Facilities	50,000	-
General operations - future periods	120,000	-
Total net assets released from restrictions	<u>\$ 2,384,949</u>	<u>\$ 3,629,358</u>

### Note 10 - Leased Facilities

The Organization leases portions of its building as office space to various tenants under operating leases that expire in 2025. Future minimum lease payments to be received under these office leases in 2025 are \$22,500 as of December 31, 2024. The total cost of the building and related accumulated depreciation was \$4,535,940 and \$2,065,727, respectively, as of December 31, 2024 and \$4,932,102 and \$2,495,649, respectively, as of December 31, 2023.

# CHINESE COMMUNITY CENTER, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

### Note 11 - Liquidity and Availability of Resources

The following represents financial assets available to meet cash needs for general expenditures within one year as of December 31:

	<u>2024</u>	<u>2023</u>
Financial assets available within one year:		
Cash and cash equivalents	\$ 684,182	\$ 1,002,471
Contributions receivable	278,040	226,916
Government grants receivable	97,383	197,200
Insurance receivables	68,442	19,943
Investments	<u>5,644,805</u>	<u>3,695,857</u>
 Total financial assets available within one year	 6,772,852	 5,142,387
 Amounts unavailable for general expenditure within one year - donor restrictions	 <u>(526,794)</u>	 <u>(381,724)</u>
 Total financial assets available to meet cash needs for general expenditures within one year	 <u>\$ 6,246,058</u>	 <u>\$ 4,760,663</u>

The Organization monitors liquidity required to meet operational needs and other contractual commitments. The Organization's liquidity management plan includes investing excess cash in certificates of deposit or mutual funds.

### Note 12 - Commitments and Contingencies

#### Employee Retention Credits

Under the provisions of the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) signed into law on March 27, 2020 and the subsequent extension of the CARES Act, the Organization was eligible for a refundable employee retention credit (ERC) subject to certain criteria. The tax credit is equal to 50% of qualified wages paid to employees during a quarter, capped at \$10,000 of qualified wages per employee through December 31, 2020. Additional relief provisions were passed by the United States government, which extended and slightly expanded the qualified wage caps on these credits through the expiration date of September 30, 2021. Based on these additional provisions, the tax credit is equal to 70% of qualified wages paid to employees during a quarter, and the limit on qualified wages per employee was increased to \$10,000 of qualified wages per quarter.

During the year ended December 31, 2023, management made the assessment that the Organization qualified for Employee Retention Credits (ERC) offered under the provisions of the CARES Act and the Organization received \$730,961 of ERC which is reflected as other revenue in the statement of activities and changes in net assets. The ERC claimed and received by the Organization is subject to audit by the IRS for five years from the date of the amended returns. If the IRS determines the Organization was not eligible for the ERC, it is possible that the entire \$730,961 of ERC funds would be required to be returned, plus penalties and interest.

# CHINESE COMMUNITY CENTER, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

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### Defined Contribution Plan

The Organization has a 401(k) defined contribution plan (the Plan). Employees are eligible to participate in the Plan after three months of service. The Organization may make discretionary profit-sharing contributions equal to a percentage of the participant's salary after a participant has completed two years of service. The discretionary profit-sharing contributions are determined by management based upon availability of funds. The Organization contributed approximately \$75,800 and \$57,600 to the Plan for the years ended December 31, 2024 and 2023, respectively.

### Government Grant Programs

The Organization participates in government grant programs which are subject to program compliance audits by grantors or their representatives. Management believes that the Organization has complied with the requirements of the grants.

# CHINESE COMMUNITY CENTER, INC.

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED DECEMBER 31, 2024

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-through Entity Identifying Number	Passed-through to Subrecipients	Total Federal Expenditures
<b><u>U.S. Department of Agriculture</u></b>				
Pass-through program from Texas Department of Agriculture:				
Child and Adult Care Food Program	10.558	806780706	\$ -	\$ 80,996
Child and Adult Care Food Program	10.558	806780706	-	26,097
Total Child and Adult Care Food Program			-	107,093
Total U.S. Department of Agriculture			-	107,093
<b><u>U.S. Department of Defense</u></b>				
Pass-through program from National Security Agency:				
StarTalk Language Program	12.900	H98230-22-1-0050	-	25,783
Total U.S. Department of Defense			-	25,783
<b><u>U.S. Department of Housing and Urban Development</u></b>				
Pass-through program from National Coalition for Asian Pacific American Community Development:				
Housing Counseling Assistance Program	14.169	300-HUDHC23	-	40,000
Housing Counseling Assistance Program	14.169	300-HUDHC24	-	17,115
Total Housing Counseling Assistance Program			-	57,115
Pass-through programs from Child Care Council of Greater Houston:				
Community Development Block Grants/Entitlement Grants/ Juvenile Delinquency Prevention Program	14.218	N/A	-	38,314
Community Development Block Grants/Entitlement Grants/ Juvenile Delinquency Prevention Program	14.218	N/A	-	78,925
Pass-through programs from Child Care Council of Greater Houston:				
Community Development Block Grants/Entitlement Grants/ Juvenile Delinquency Prevention Program	14.218	N/A	-	2,365
Total Community Development Block Grants/ Entitlement Grants			-	119,604
Total CDBG-Entitlement Grants Cluster			-	119,604
Total U.S. Department of Housing and Urban Development			-	176,719
<b><u>U.S. Department of Labor</u></b>				
Pass-through program from National Asian Pacific Center on Aging:				
Senior Community Service Employment Program	17.235	SSP23-0087	-	35,717
Senior Community Service Employment Program	17.235	SSP24-0087	-	33,260
Total Community Service Employment Program			-	68,977
Total U.S. Department of Labor			-	68,977

# CHINESE COMMUNITY CENTER, INC.

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED DECEMBER 31, 2024

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-through Entity Identifying Number	Passed-through to Subrecipients	Total Federal Expenditures
<b><u>U.S. Department of Education</u></b>				
Pass-through program from Houston-Galveston Area Council:				
Adult Education - Basic Grants to States / Adult Basic Education Grant Opportunity	84.002A	223-24	-	9,621
Adult Education - Basic Grants to States / Adult Basic Education Grant Opportunity	84.002A	223-24	-	164,697
Total Adult Education - Basic Grants to States			-	174,318
Total U.S. Department of Education			-	174,318
<b><u>U.S. Department of Health and Human Services</u></b>				
Pass-through programs from Harris County Area Agency on Aging:				
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services - Evidence Based Intervention - A Matter of Balance	93.043	4600015186	-	66,630
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services - Evidence Based Intervention - A Matter of Balance	93.043	4600015186	-	19,475
Total Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services - Evidence Based Intervention - A Matter of Balance			-	86,105
National Family Caregiver Support, Title III, Part E	93.052	4600015186	-	100,811
National Family Caregiver Support, Title III, Part E	93.052	4600015186	-	36,765
Total National Family Caregiver Support, Title III, Part E			-	137,576
Pass-through program from BakerRipley:				
Low-Income Home Energy Assistance	93.568	9160	-	34,100
Total Low-Income Home Energy Assistance			-	34,100
Total U.S. Department of Health and Human Services			-	257,781
Total Expenditures of Federal Awards			\$ -	\$ 810,671

# CHINESE COMMUNITY CENTER, INC.

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED DECEMBER 31, 2024

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### Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Chinese Community Center, Inc. (the Organization), under programs of the federal government for the year ended December 31, 2024. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

### Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

### Note 3 - Indirect Cost Rate

For certain grants, the Organization has elected to use the 10% de minimus indirect cost rate as allowed under the Uniform Guidance.

### Note 4 - Relationship to the Organization's Financial Statements

The following reconciles federal awards revenue as included in the Schedule to government grants revenue as reported in the basic financial statements of the Organization:

	<u>Grants from Government Agencies</u>
Total government grants per financial statements	\$ 855,171
Local grants included within government grants per financial statements	<u>(44,500)</u>
Federal revenues per financial statements	810,671
Federal awards revenue per Schedule	<u>(810,671)</u>
Difference	<u><u>\$ -</u></u>

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL  
CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors of  
**Chinese Community Center, Inc.**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Chinese Community Center, Inc. (the Organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 13, 2025.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Doeren Mayhew Assurance*

Houston, Texas  
June 13, 2025

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors of  
**Chinese Community Center, Inc.**

### Report on Compliance for Each Major Federal Program

#### Opinion on Each Major Federal Program

We have audited Chinese Community Center, Inc.'s (the Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2024. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

#### Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

#### Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Organization's federal programs.

## Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Doeren Mayhew Assurance*

Houston, Texas  
June 13, 2025

# CHINESE COMMUNITY CENTER, INC.

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED DECEMBER 31, 2024

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### Section 1

### Summary of Auditor's Results

#### Financial Statements

- |  |               |
|--|---------------|
| 1. Type of auditor's report issued:                          | Unmodified    |
| 2. Internal control over financial reporting:                |               |
| a. Material weaknesses identified?                           | No            |
| b. Significant deficiencies identified?                      | None reported |
| c. Noncompliance material to the financial statements noted? | No            |

#### Federal Awards

- |  |               |
|--|---------------|
| 1. Internal control over major programs:   |               |
| a. Material weaknesses identified?   | No            |
| b. Significant deficiencies identified?  | None reported |
| 2. Type of auditor's report issued on compliance for major programs:   | Unmodified    |
| 3. Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance, 2 CFR 200.516 (a)? | No            |

4. Identification of major programs:

Assistance Listing Number

84.002A

Name of Federal Program

Adult Education – Basic Grants to States /  
Adult Education Grant Opportunity

- |   |           |
|---|-----------|
| 5. Dollar threshold used to distinguish between Type A and Type B programs: | \$750,000 |
| 6. Auditee qualified as a low-risk auditee?                                 | Yes       |

### Section 2

#### Financial Statement Findings

None reported.

### Section 3

#### Federal Award Findings and Questioned Costs

None reported.

**CHINESE COMMUNITY CENTER, INC.**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**YEAR ENDED DECEMBER 31, 2024**

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None reported.