Jewish Social Service Agency and Affiliates

Consolidated Financial Statements
and Independent Auditor's Report

June 30, 2023 and 2022

Jewish Social Service Agency and Affiliates

Index

<u>Independent Auditor's Report on Consolidated Financial Statements</u>

To the Board of Directors
Jewish Social Service Agency and Affiliates
Rockville, Maryland

Opinion

We have audited the consolidated financial statements of Jewish Social Service Agency and Affiliates (collectively, "JSSA"), which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, and the related consolidated statements of activities and change in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Jewish Social Service Agency and Affiliates as of June 30, 2023 and 2022, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Jewish Social Service Agency and Affiliates, 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 consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

CohnReznick

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Jewish Social Service Agency and Affiliates' internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about JSSA's' ability to continue as a going concern for a reasonable period of time.

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

CohnReznick LLP

Bethesda, Maryland
December 12, 2023

Jewish Social Service Agency and Affiliates

Consolidated Statements of Financial Position
June 30, 2023 and 2022

Assets

	2023	2022
Current assets		
Cash and cash equivalents	$ 1,596,244	$ 2,525,525
Investments, short-term	1,316,409	1,366,308
Contributions and grants receivable	1,317,207	1,171,098
Accounts and grants receivable, net of allowance for doubtful accounts of $124,214 in 2023 and $82,216 in 2022	2,296,885	3,247,593
Pledges receivable, net of allowance for doubtful accounts of $2,500 in 2023 and $10,750 in 2022	47,500	204,250
Prepaid expenses	298,797	283,995
Total current assets	6,873,042	8,798,769
Investments, long-term	48,358,231	47,100,171
Property and equipment, net	12,302,716	12,913,187
Right-of-use asset-operating lease	848,353	-
Long-term pledges receivable, net of allowance for doubtful accounts of $4,821 in 2023 and $7,201 in 2022	91,609	136,822
Deposits	16,240	16,240
Section 457 plan assets	963,571	767,646
	$ 69,453,762	$ 69,732,835

Jewish Social Service Agency and Affiliates

Consolidated Statements of Financial Position
June 30, 2023 and 2022

Liabilities and Net Assets

	2023	2022
Current liabilities		
Accounts payable, accrued expenses and other liabilities	$ 2,032,187	$ 2,695,922
Operating lease obligation, current portion	206,146	-
Refundable advances	245,291	228,866
Total current liabilities	2,483,624	2,924,788
Line of credit	2,723,861	3,599,350
Deferred rent	-	114,303
Operating lease liability, net of current portion	746,884	-
Section 457 plan liabilities	963,571	767,646
Total liabilities	6,917,940	7,406,087
Net assets		
Without donor restrictions		
Undesignated	12,863,340	12,797,740
Board designated endowment fund	10,164,411	13,685,067
Reserve fund	1,021,298	1,036,750
Total without donor restrictions	24,049,049	27,519,557
With donor restrictions	38,486,773	34,807,191
Total net assets	62,535,822	62,326,748
	$ 69,453,762	$ 69,732,835

See Notes to Consolidated Financial Statements.

Jewish Social Service Agency and Affiliates

Consolidated Statement of Activities and Change in Net Assets
Year Ended June 30, 2023

	Without donor restrictions	With donor restrictions	Total
Revenue and support			
Private and foundation grants	$ 696,661	$ 609,749	$ 1,306,410
Government grants	989,671	9,141,895	10,131,566
Federation grants	12,400	1,251,773	1,264,173
Cash contributions, bequests and gifts	1,774,443	3,145,313	4,919,756
Contributions of nonfinancial assets	99,441	-	99,441
Net program service fees	18,931,340	-	18,931,340
Investment income	1,494,619	3,607,746	5,102,365
Other revenue	12,558	-	12,558
Net assets released from restrictions	14,076,894	(14,076,894)	-
Total revenue and support	38,088,027	3,679,582	41,767,609
Expenses			
Program services			
Mental health and community-based services	8,484,822	-	8,484,822
Senior services	1,716,999	-	1,716,999
Holocaust survivors	7,581,072	-	7,581,072
Hospice services	11,997,665	-	11,997,665
Specialized employment	1,521,100	-	1,521,100
Homecare	3,994,303	-	3,994,303
Other programs	540,179	-	540,179
Total program services	35,836,140	-	35,836,140
Supporting services			
Management and administrative	4,200,686	-	4,200,686
Fundraising	1,521,709	-	1,521,709
Total supporting services	5,722,395	-	5,722,395
Total expenses	41,558,535	-	41,558,535
Change in net assets	(3,470,508)	3,679,582	209,074
Net assets, beginning of year	27,519,557	34,807,191	62,326,748
Net assets, end of year	$ 24,049,049	$ 38,486,773	$ 62,535,822

See Notes to Consolidated Financial Statements.

Jewish Social Service Agency and Affiliates

Consolidated Statement of Activities and Change in Net Assets
Year Ended June 30, 2022

	Without donor restrictions	With donor restrictions	Total
Revenue and support			
Private and foundation grants	$ 500,157	$ 740,333	$ 1,240,490
Government grants	57,856	8,360,859	8,418,715
Federation grants	28,570	1,016,603	1,045,173
Cash contributions, bequests and gifts	3,081,980	3,458,472	6,540,452
Contributions of nonfinancial assets	47,225	-	47,225
Net program service fees	21,521,818	-	21,521,818
Investment loss	(1,946,095)	(4,748,201)	(6,694,296)
Other revenue	14,144	-	14,144
Special events revenue, net of expenses of $43,842	(23,977)	-	(23,977)
Net assets released from restrictions	12,668,291	(12,668,291)	-
Total revenue and support	35,949,969	(3,840,225)	32,109,744
Expenses			
Program services			
Mental health and community-based services	7,956,446	-	7,956,446
Senior services	1,511,248	-	1,511,248
Holocaust survivors	6,278,300	-	6,278,300
Hospice services	12,353,077	-	12,353,077
Specialized employment	1,445,713	-	1,445,713
Homecare	4,306,252	-	4,306,252
Other programs	300,813	-	300,813
Total program services	34,151,849	-	34,151,849
Supporting services			
Management and administrative	4,002,800	-	4,002,800
Fundraising	1,260,421	-	1,260,421
Total supporting services	5,263,221	-	5,263,221
Total expenses	39,415,070	-	39,415,070
Change in net assets	(3,465,101)	(3,840,225)	(7,305,326)
Net assets, beginning of year	30,984,658	38,647,416	69,632,074
Net assets, end of year	$ 27,519,557	$ 34,807,191	$ 62,326,748

See Notes to Consolidated Financial Statements.

Jewish Social Service Agency and Affiliates

Consolidated Statement of Functional Expenses
Year Ended June 30, 2023

	Program services								Supporting services		
	Mental health and community-based services	Aging in Place	Holocaust survivors	Hospice services	Employment Services	Homecare	Other programs	Total program	Management and general	Fundraising	Total
Expenses											
Salaries, taxes and benefits	$ 6,649,651	$ 1,026,193	$ 1,425,598	$ 8,562,912	$ 1,204,230	$ 3,494,450	$ 345,394	$ 22,708,428	$ 2,557,328	$ 915,310	$ 26,181,066
Health, medical and nutritional supports to clients	270,759	429,956	5,707,945	1,686,355	59	28,476	5,050	8,128,600	19	-	8,128,619
Other direct costs	19,536	50,157	24,150	161,197	855	7,698	32,157	295,750	137,298	-	433,048
Financial assistance	10,680	17,883	210,286	-	-	-	119,725	358,574	-	-	358,574
Occupancy	467,967	41,292	47,694	238,200	92,099	71,226	5,206	963,684	125,608	14,215	1,103,507
Technology and professional services	443,632	57,896	75,543	719,274	113,346	123,251	13,369	1,546,311	769,518	340,917	2,656,746
Depreciation and amortization	292,819	28,838	37,863	214,977	70,665	43,904	10,940	700,006	141,955	24,036	865,997
Other expenses	329,778	64,784	51,993	414,750	39,846	225,298	8,338	1,134,787	468,960	227,231	1,830,978
Total expenses	$ 8,484,822	$ 1,716,999	$ 7,581,072	$ 11,997,665	$ 1,521,100	$ 3,994,303	$ 540,179	$ 35,836,140	$ 4,200,686	$ 1,521,709	$ 41,558,535

See Notes to Consolidated Financial Statements.

Jewish Social Service Agency and Affiliates

Consolidated Statement of Functional Expenses
Year Ended June 30, 2022

	Program services								Supporting services		
	Mental health and community-based services	Aging in Place	Holocaust survivors	Hospice services	Employment Services	Homecare	Other programs	Total program	Management and general	Fundraising	Total
Expenses											
Salaries, taxes and benefits	$ 6,372,059	$ 895,280	$ 1,071,670	$ 8,698,549	$ 1,157,713	$ 3,765,939	$ 137,805	$ 22,099,015	$ 2,398,119	$ 869,195	$ 25,366,329
Health, medical and nutritional supports to clients	273,400	358,606	4,837,202	2,055,060	360	72,692	502	7,597,822	4,608	-	7,602,430
Other direct costs	24,067	45,270	6,512	36,071	9	7,639	22,106	141,674	259,243	-	400,917
Financial assistance	5,600	43,906	182,712	-	-	-	114,000	346,218	-	-	346,218
Occupancy	448,538	38,508	36,276	244,994	89,862	64,527	4,878	927,583	104,696	13,298	1,045,577
Technology and professional services	390,060	45,541	61,039	601,296	100,668	123,924	7,664	1,330,192	655,748	253,233	2,239,173
Depreciation and amortization	314,607	26,725	41,681	232,092	65,085	44,955	11,057	736,202	131,273	24,174	891,649
Other expenses	128,115	57,412	41,208	485,015	32,016	226,576	2,801	973,143	449,113	100,521	1,522,777
Total expenses	$ 7,956,446	$ 1,511,248	$ 6,278,300	$ 12,353,077	$ 1,445,713	$ 4,306,252	$ 300,813	$ 34,151,849	$ 4,002,800	$ 1,260,421	$ 39,415,070

See Notes to Consolidated Financial Statements.

Jewish Social Service Agency and Affiliates

Consolidated Statements of Cash Flows
Years Ended June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities		
Change in net assets	$ 209,074	$ (7,305,326)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	865,997	891,649
Donated investments	(396)	(9,250)
Realized gain on investments	(1,116,058)	(990,421)
Unrealized (gain) loss on investments	(2,899,320)	9,781,753
Bad debt expense	190,606	44,172
Increase in discount on pledges receivable	(2,407)	(3,154)
Endowment contributions	(2,169,329)	(2,635,519)
Contributions and grants received for long-term purposes	-	(69,677)
Amortization of operating lease right-of-use asset	186,134	-
Changes in		
Contributions and grants receivable	(146,109)	(466,757)
Accounts and grants receivable	749,472	2,333,996
Pledges receivable	215,000	11,500
Prepaid expenses	(14,802)	6,878
Section 457 plan assets	(195,925)	82,287
Accounts payable, accrued expenses and other liabilities	(663,735)	224,090
Section 457 plan liabilities	195,925	(82,287)
Deferred rent	-	(4,226)
Operating lease liability	(195,760)	-
Refundable advances	16,425	105,556
Net cash provided by (used in) operating activities	(4,775,208)	1,915,264
Cash flows from investing activities		
Proceeds from sale of investments	9,623,140	4,653,601
Purchases of investments	(6,815,527)	(6,700,010)
Purchases of property and equipment	(255,526)	(263,473)
Net cash provided by (used in) investing activities	2,552,087	(2,309,882)
Cash flows from financing activities		
Collection of endowment contributions	2,169,329	2,635,519
Collection of contributions and grants received for long-term purposes	-	69,677
Payments on line of credit	(875,489)	(1,803,878)
Net cash provided by financing activities	1,293,840	901,318
Net increase (decrease) in cash and cash equivalents	(929,281)	506,700
Cash and cash equivalents, beginning of year	2,525,525	2,018,825
Cash and cash equivalents, end of year	$ 1,596,244	$ 2,525,525
Supplementary disclosure of cash flow information		
Cash paid for interest	$ 166,135	$ 65,721
Cash paid for amounts included in the measurement of operating lease liability	$ 221,408	
Right-of-use asset in exchange for operating lease liability	$ 1,034,487	$ -
Noncash investing activity		
Write-off of fully depreciated property and equipment resulting from disposal	$ -	$ 17,971

See Notes to Consolidated Financial Statements.

Note 1 - Organizations and summary of significant accounting policies

Organizations and nature of activities

Jewish Social Service Agency ("JSSA") is a private nonprofit organization serving Maryland, Northern Virginia and the District of Columbia. Revenues and support are derived principally from program service fees, health insurance reimbursement, the Jewish Federation of Greater Washington, contributions, investment income, foundation grants and government grants. JSSA is a health and social wellness agency that provides individuals, couples and families with counseling and therapy, hospice care, in-home support, care coordination, and disability employment services. JSSA strives to provide expert clinical and social wellness services to anyone in the community that is facing some of life's challenges and needs support. JSSA is a nonprofit organization incorporated in 1933 under the laws of the District of Columbia.

Premier Homecare, Inc. ("Premier"), a private nonprofit provider of nonmedical private-duty home support services, began operations in May 2000 and serves Montgomery County, Maryland. JSSA is the sole sponsor of Premier, which allows it to exercise control over the Premier Board of Directors. In the event of dissolution of Premier, its net assets would be distributed to JSSA. JSSA provides human resource, accounting, billing and IT services to Premier and charges a management fee. The fee is calculated based on Premier's pro rata share of JSSA's total cost of the expenses associated with management services, not to exceed 80% of Premier's net income. JSSA has the right to waive all or part of the management fee for periods where Premier's net income and/or net assets are negative. There was no management fee charged for the years ended June 30, 2023 and 2022. Premier paid $13,769 and $27,449 to JSSA for rental of office space for the years ended June 30, 2023 and 2022, respectively. Additionally, JSSA made contributions to Premier of $18,423 and $34,136 for the years ended June 30, 2023 and 2022, respectively. These amounts are eliminated on the consolidated statements of activities and change in net assets. Premier is a nonprofit organization incorporated in 2000 under the laws of the State of Maryland. Premier also provides homecare aide services on a contractual basis to certain JSSA patients. On October 27, 2020, the Premier Board of Directors voted to apply to transfer Premier's homecare license to JSSA. Premier submitted an application to the Maryland Department of Health, Office of Health Care Quality (OHCQ). On January 1, 2023 Premier transferred the license to JSSA and its services are now performed by JSSA.

JSSA purchased Route 28 Associates, LLC (the "LLC") in March 2006. The LLC owns land in Rockville, Maryland, on which JSSA built the Ina Kay headquarters building. JSSA owns 100% of the membership interests in the LLC.

JSSA occupies a building and land on Montrose Road under a 99-year agreement with the Jewish Community Property Association for a nominal amount. The agreement expires on May 31, 2068, and is renewable for an additional 99 years. JSSA has deemed the present value of the long-term use of the building and land as of the date of the agreement to be immaterial and therefore no contribution was recorded.

During the term of the agreement JSSA has funded substantial building improvements to the original building. Under the agreement, JSSA's annual cost is composed solely of its share of the building's operating expenses.

Principles of consolidation

The consolidated financial statements include the accounts of JSSA, Premier and the LLC (collectively, "JSSA"). All significant intercompany accounts and transactions between the organizations have been eliminated.

Basis of accounting

The consolidated financial statements have been prepared on the accrual basis of accounting. Consequently, revenue is recognized when earned and expenses when the obligations are incurred.

Cash and cash equivalents

Cash and cash equivalents consist of cash in operating and money market bank accounts, cash on hand and highly-liquid investments with original maturities of 90 days or less.

Investments

Investments, except for State of Israel bonds, are recorded at fair value on the consolidated statements of financial position based on quoted market prices if actively traded, or net asset values ("NAVs") provided by investment managers. Money market funds held in investment accounts with investment institutions are classified as investments on the consolidated statements of financial position. State of Israel bonds are recorded at face value because these bonds are typically held to maturity and do not have readily determinable fair values. Investment income is included on the consolidated statements of activities and change in net assets as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law. Investments are exposed to various risks, such as fluctuations in market value and credit risk. It is reasonably possible that changes in risks in the near term could result in a change in fair value of the investment balances and amounts reported in the accompanying consolidated financial statements, which could be material.

Donated securities are recorded at fair value as of the date of the contribution and are converted to cash nearly immediately upon receipt and reported as cash flows from operating activities. Donated State of Israel bonds are held to maturity and are redeemed at cost plus accrued interest. See Note 12 for discussion of fair value measurements.

Short-term investments are those funds expected to provide sufficient cash to meet the short-term financial obligations of JSSA in a timely manner. The long-term investments purpose is to provide an endowment to fund activities designed to carry out the vision, mission and values of JSSA. JSSA has separate investment accounts for short-term and long-term investments. Management intends to hold long-term investments for more than one year.

Investments in alternative strategies consist of hedge funds and an exchange-traded fund. The hedge funds include funds domiciled outside of the United States, which are reported at NAV. The funds may contain lockup provisions and redemption restrictions. NAV per share is calculated based on measurement of all the underlying investments in the funds in accordance with Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") Topic 946 on investment companies. The funds are managed by various investment managers employing a variety of strategies to achieve investment objectives. Investment objectives are consistent with JSSA's Investment Policy Statement.

Revenue recognition - program service revenue and receivables

Program service revenue from hospice, mental health and social services is reported at the amount that reflects the consideration to which JSSA expects to be entitled in exchange for providing client care. These amounts are due from clients, third-party payors (including health insurers and government payors), and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, JSSA bills the clients and third-party payors no less than monthly after the services are performed. Revenue is recognized as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by JSSA. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. JSSA believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to clients receiving services in JSSA's programs. JSSA measures the performance obligation as the dates of service provided.

Because all of its performance obligations relate to contracts with a duration of less than one year, the JSSA has elected to apply the optional exemption provided in FASB ASC 606-10-50-14a and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. JSSA's performance obligations consist primarily of outpatient services that occur within one day of a client's visit, thus, there were no unsatisfied or partially unsatisfied performance obligations at the end of the reporting period.

JSSA determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured clients in accordance with JSSA's policy, and implicit price concessions provided to uninsured clients. JSSA determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policies, and historical experience. JSSA determines its estimate of implicit price concessions based on its historical collection experience with this class of clients.

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

Medicare and Medicaid - Outpatient services are paid using prospectively determined rates per visit per cover member.

Other - Payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations provide for payment using prospectively determined rates per visit, discounts from established charges, and prospectively determined daily rates.

Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to varying interpretation. As a result of investigations by governmental agencies, various health care organizations have received requests for information and notices regarding alleged noncompliance with those laws and regulations, which, in some instances, have resulted in organizations entering into significant settlement agreements. Compliance with such laws and regulations may also be subject to future government review and interpretation, as well as significant regulatory action, including fines, penalties, and potential exclusion from the related programs. There can be no assurance that regulatory authorities will not challenge JSSA's compliance with these laws and regulations, and it is not possible to determine the impact (if any) such claims or penalties would have upon JSSA. In addition, the contracts JSSA has with commercial payors also provide for retroactive audit and review of claims.

Settlements with third-party payors for retroactive adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing client care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor, and JSSA's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews, and investigations. Adjustments arising from a change in the transaction price were not significant in fiscal year 2023.

Generally, clients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. JSSA also provides services to uninsured clients, and offers those uninsured clients a discount, from standard charges. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to client service revenue in the period of the change. For the year ended June 30, 2023, there was no additional revenue recognized due to changes in its estimates of implicit price concessions, discounts, and contractual adjustments for performance obligations satisfied in prior years. JSSA provides care to these clients who meet certain criteria under its sliding fee discount policy without charge or at amounts less than the established rates. Charity care services are computed using a sliding fee scale based on client income and family size. Based on the cost of client services, charity care for the years ended June 30, 2023 and 2022 amounted to approximately $200,000 and $160,000, respectively. Such amounts determined to qualify as charity care are not reported as revenue.

Subsequent changes that are determined to be the result of an adverse change in the client's ability to pay are recorded as bad debt expense.

Revenue recognition - grants and contributions
Unconditional contributions, private and foundation grants, government grants, and unconditional promises to give are measured at their fair value on the date of donation and are reported as support with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. JSSA records conditional grants receivable and related revenue after JSSA overcomes a barrier or hurdle to be entitled to the resource and the resource provider is released from the obligation to fund or has the right of return. Any funding received prior to overcoming the barrier is recognized as a refundable advance. At June 30, 2023 and 2022, JSSA had refundable advances of $245,291 and $228,866, respectively, related to conditional grants. JSSA has executed conditional grants totaling approximately $3,586,104 that have not been recognized as revenue or receivable at June 30, 2023. Uncollectible amounts are charged off against the allowance for doubtful accounts once management determines an account or a portion thereof to be uncollectible. As of June 30, 2023 and 2022, management deemed all grants receivable to be collectible and, as such, no allowance for doubtful accounts has been provided for in these consolidated financial statements.

JSSA reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor 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 on the consolidated statements of activities and change in net assets as net assets released from restrictions.

Federation grants from the Jewish Federation of Greater Washington include a core allocation that is recognized as an unconditional contribution measured at fair value on the date of donation and reported as support with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. Additionally, the Jewish Federation of Greater Washington provides JSSA with grants that are recognized as contributions receivable and Federation grant revenue when the related expenses are incurred.

JSSA reports gifts of goods and equipment at fair value as support without donor restrictions 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 restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, JSSA reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Property and equipment
JSSA records its property and equipment at cost, or, if donated, at fair value at the date of donation. Depreciation and amortization are recorded on the straight-line basis over the estimated useful lives of the assets, which range from three to 40 years. JSSA capitalizes property and equipment greater than $1,000, and an estimated useful life of greater than one year. Depreciation and amortization expense totaled $865,997 and $891,649 for the years ended June 30, 2023 and 2022, respectively.

Concentration of revenue
A substantial amount of JSSA's revenue is received from Medicare as part of JSSA's net program service fees. Approximately 32% and 35% of JSSA's total revenue, excluding investment income, was received from Medicare for the years ended June 30, 2023 and 2022, respectively.

Income taxes
JSSA and Premier are exempt from payment of income taxes on their exempt-purpose activities under Section 501(c)(3) of the Internal Revenue Code. JSSA and Premier are not classified as private foundations. As a single-member LLC, the Route 28 Associates, LLC is treated as a disregarded entity for income tax purposes and consolidated into JSSA's tax filings.

JSSA and Premier believe that they have appropriate support for any tax positions taken, and, as such, do not have any uncertain tax positions that are material to the consolidated financial statements. JSSA and Premier recognize penalties and interest related to income taxes on uncertain tax positions in accounts payable, accrued expenses and other liabilities on the consolidated statements of financial position and management and administrative expenses on the consolidated statements of activities and change in net assets. JSSA did not have any unrelated business income for the year ended June 30, 2023. Tax years prior to 2020 for JSSA and Premier are no longer subject to examination by the Internal Revenue Service or the state tax jurisdictions of Maryland, Virginia and the District of Columbia.

Functional allocation of expenses
The costs of providing the various programs and supporting services have been summarized on a functional basis on the consolidated statements of functional expenses. Accordingly, certain costs

have been allocated among the programs and supporting services that benefited from such costs. Salaries and benefits are allocated based upon the amount of time spent on each functional activity. Depreciation and amortization expense is allocated based on square footage of JSSA offices. Costs specific to programs or supporting services are applied directly.

The following program services are included in the accompanying consolidated financial statements:

Hospice Services -JSSA Hospice provides high quality, compassionate and personalized end-of-life care for individuals and their families coping with life-limiting illnesses.

Mental Health and Community-Based Services - provides a wide array of assessment, treatment, intervention and support services for individuals, couples and families coping with a variety of challenges. JSSA's J-Caring line connects callers with community-based services based on their needs.

Aging in Place and Holocaust Survivors - provides care management and other community support services that allow older adults and Holocaust survivors to remain independent in their homes, providing peace of mind to their families. Chaplaincy services are provided to individuals in assisted living facilities and hospitals. Brenner Transportation provides escorted transportation to medical appointments. Meals on Wheels delivers kosher meals to individuals aged 60 and over who are confined to their homes.

Employment Services - JSSA provides career coaching, life skills development and employment placement for individuals with disabilities.

Homecare - JSSA offers a full array of home support and homecare services for individuals and couples in need of at home care.

Other Programs - JSSA's Training Institute provides professional clinical training to agency staff and community mental health professionals. JSSA provides scholarships to graduate and undergraduate students based on financial need. JSSA's Jewish Enrichment and Engagement brings foundational values to light throughout the agency through staff and services.

Net assets without donor restrictions

The Board Designated Endowment Fund includes funds received from donors without restrictions that are allocated to the Endowment at the Board of Directors' discretion. The earnings are used to support the overall needs of JSSA and are recorded as income without donor restrictions. The Board can remove the designation at its discretion.

The Reserve Fund was authorized by the Treasurer of the Board of Directors, and approved by the Executive Committee, to create operating reserves to provide JSSA with operating capital in the future to ensure that the impact of cuts in outside funding have minimal impact on JSSA's ability to provide essential safety-net services. The reserve fund is held in a separate account and earnings remain within the account. Disbursements from the fund are to be made as the operating needs of JSSA demand, and at the sole discretion of the CEO and/or the CFO.

Adoption of new accounting principles

On July 1, 2022, JSSA adopted the provisions of FASB Accounting Standards Update ("ASU") 2016-02 (as amended), Leases ("Topic 842"). This ASU provides revised guidance to improve the effectiveness and transparency of the consolidated financial statement presentation and disclosure requirements for lease recognition. Under Topic 842, a lessee determines if an arrangement contains a lease at inception based on whether the lessee has the right to control the asset during the contract period and other facts and circumstances. Under Topic 842, right-of-use assets and operating or finance lease obligations are recognized based on the present value of lease payments over the lease term, where the initial term of the lease exceeds 12 months, using an appropriate discount rate. JSSA has elected not to restate comparative periods, and has elected the practical expedient to apply the provisions of Topic 842 at the adoption date instead of applying them to the earliest comparative period presented in the consolidated financial statements. JSSA has also elected the package of other practical expedients permitted under the transition guidance within the new standard, to not reassess: (1) whether any expired or existing contracts are or contain leases, (2) lease classification for any expired or existing leases and (3) initial direct costs for any expired or existing leases. JSSA has determined that its signed agreement for office space in Northern Virginia, fits the criteria under Topic 842 as an operating lease. As the rate implicit in the lease is generally not readily determinable, JSSA has elected to use the risk-free borrowing rate on their line of credit. The operating lease obligation is reduced as cash payments are made under the terms of the lease. The operating lease right-of-use asset is amortized over the lease term and reflected as office rental expense in the accompanying consolidated financial statements. Interest is charged to occupancy expense for the difference. Lease expense is recognized on a straight-line basis over the term of the lease. Unless JSSA determines that it is reasonably certain that the term of a lease will be terminated early or extended through a renewal option, the term of a lease spans for the duration of the minimum noncancellable contractual term. There are no residual value guarantees.

On July 1, 2022, JSSA recognized a right-of-use asset operating lease of $1,034,487 and an operating lease obligation of $1,148,790 with the adoption of Topic 842. The adoption of Topic 842 also resulted in a decrease of $114,303 in deferred rent and lease incentives, which was reclassified to the right-of-use asset operating lease upon adoption.

Use of estimates
Management uses estimates and assumptions in preparing these consolidated financial statements in conformity with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates that were used.

Subsequent events
JSSA has evaluated events and transactions for potential recognition or disclosure through December 12, 2023, the date the consolidated financial statements were available to be issued. See subsequent event disclosed in Note 15 regarding the letter of credit.

Note 2 - Liquidity and availability of resources

JSSA strives to maintain liquid financial assets to cover normal operating expenditures. As part of the organization's liquidity management, it structures its operations to allow financial assets to be available as its normal operating expenditures, liabilities, and other obligations come due.

The following table reflects JSSA's financial assets as of June 30, 2023 and 2022, reduced by amounts that are not available to meet normal operating expenditures within one year of the consolidated statement of financial position due to board designations, donor restrictions, timing restrictions or contractual obligations. Board designated endowment funds are not intended to be used within the next year and are therefore not included in financial assets available for use within one year of the consolidated financial statements. Amounts not available to meet general expenditures within one year also includes net assets with donor restrictions required to be held in perpetuity.

At June 30, 2023 and 2022, financial assets available to meet the general expenditures within one year of the consolidated financial statements consist of the following:

	2023	2022
Cash and cash equivalents	$ 1,596,244	$ 2,525,525
Investments, short-term	1,316,409	1,366,308
Contributions and grants receivable	1,317,207	1,171,098
Accounts and grants receivable, net	2,296,885	3,247,593
Pledges receivable, net	139,109	341,072
Investments, long-term	48,358,231	47,100,171
Total financial assets	55,024,085	55,751,767
Less those unavailable for general expenditure within one year		
Long-term pledges receivable, net	(91,609)	(136,822)
Board designated endowment fund, net of budgeted appropriations*	(9,364,062)	(12,918,896)
Donor-restricted endowment funds, net of budgeted appropriations	(36,018,960)	(32,377,361)
Financial assets not available to be used within one year	(45,474,631)	(45,433,079)
Financial assets available to meet general expenditures within one year	$ 9,549,454	$ 10,318,688

* The board designated endowment fund could become available if needed, with board approval.

Financial assets would be used to pay current liabilities as well as regular ongoing operating expenses. Additionally, JSSA maintains a line of credit available for use. JSSA's long-term investments, including the board designated endowment fund, are used as collateral for the line of credit. Board approval is required for draws on the line of credit (see Note 14).

Note 3 - Property and equipment

Property and equipment consist of the following at June 30, 2023 and 2022:

	2023	2022
Land	$ 2,512,911	$ 2,512,911
Cemetery plots	7,200	7,200
Building and building improvements	9,593,101	9,523,710
Leasehold improvements	4,426,845	4,426,845
Furniture and fixtures	859,581	859,581
Equipment and computer software	3,396,777	3,210,642
Automobiles	305,558	305,558
	21,101,973	20,846,447
Less accumulated depreciation and amortization	(8,799,257)	(7,933,260)
Total property and equipment, net	$ 12,302,716	$ 12,913,187

In 2007, JSSA received a $1,639,000 grant from the Department of Health and Mental Hygiene to help in the construction of the Ina Kay headquarters building. This grant has a 30-year Right of Recovery which will expire during fiscal year 2038. The State of Maryland can recover the grant amount if JSSA does not use the property for the purpose for which the grant was awarded, which is to operate for charitable purposes within its mission. JSSA has no intentions to use the building other than for the purposes within the grant.

During the year ended June 30, 2018, JSSA received a $1,000,000 grant from the State of Maryland Board of Public Works ("BPW") to help with renovation of the Montrose Road building. JSSA is unable to sell, lease, exchange, give away or otherwise transfer or dispose of the property improved with the grant funds unless the BPW gives prior written consent, and the BPW can then recover a percentage of the grant. JSSA has no intentions to vacate the Montrose Road building.

Note 4 - Investments

Investments consist of the following at June 30, 2023 and 2022:

	2023	2022
U.S. large capitalization exchange-traded funds	$ 12,433,925	$ 11,152,296
U.S. mid capitalization exchange-traded funds	3,848,830	3,708,441
U.S. small capitalization exchange-traded funds	3,367,537	3,201,883
International mutual funds and exchange-traded funds	6,671,848	6,085,447
Emerging markets mutual funds	5,926,156	5,253,988
Fixed income mutual funds	9,153,487	8,337,454
Alternative investment strategies	6,846,052	9,250,662
Cash, money market funds and accrued interest	1,316,409	1,366,308
State of Israel bonds (face value)	110,396	110,000
	49,674,640	48,466,479
Less short-term investments	(1,316,409)	(1,366,308)
Total investments	$ 48,358,231	$ 47,100,171

Investment income consists of the following for the years ended June 30, 2023 and 2022:

	2023	2022
Dividends and interest	$ 1,163,280	$ 2,188,775
Unrealized gain (loss) on investments	2,899,320	(9,781,753)
Realized gain on investments	1,116,058	990,421
Investment management fees and taxes	(76,293)	(91,739)
Total investment income (loss)	$ 5,102,365	$ (6,694,296)

Investments include endowments which had a fair value of $48,124,340 and $47,937,833, at June 30, 2023 and 2022, respectively. See Note 12 for discussion of fair value measurements.

Note 5 - Pledges receivable

Unconditional promises to give that are expected to be collected in less than one year are measured at net realizable value, which approximates fair value. Unconditional promises to give that are expected to be collected beyond one year are measured at fair value using the present value of future collections. The discount factor on those amounts is computed using risk-adjusted interest rates applicable to the years in which the promises were received. Amortization of the discount for the years ended June 30, 2023 and 2022, is included in contributions, bequests and gifts revenue on the consolidated statements of activities and change in net assets. The allowance for doubtful accounts is determined based on a review of the estimated collectability, plus a general provision based on historical loss experience and existing economic conditions. Uncollectible amounts are charged off against the allowances for doubtful accounts once management determines an account, or a portion thereof, to be uncollectible.

Pledges receivable consist of the following at June 30, 2023 and 2022:

	2023	2022
Receivable in less than one year	$ 50,000	$ 215,000
Receivable in one to five years	100,000	150,000
Allowance for doubtful accounts	(7,321)	(17,951)
Total pledges receivable	142,679	347,049
Less unamortized discount to net present value	(3,570)	(5,977)
Net pledges receivable	139,109	341,072
Less current portion, net	47,500	204,250
Long-term pledges receivable, net	$ 91,609	$ 136,822

Pledges receivable due in excess of one year were discounted by $3,570 and $5,977, respectively, at June 30, 2023 and 2022, based on discount rates ranging from approximately 0 to 3.25 percent.

Note 6 - Defined-contribution plan

JSSA sponsors a defined-contribution pension plan that covers all employees. There is no minimum age or service requirement for employees to make elective deferrals. Employer matching contributions are made each pay period. Employees will earn a vested year of service upon completing 750 hours of service during the vesting computation period. The employer may choose to make discretionary contributions and/or matching contributions each Plan year. JSSA contributed $246,846 and $249,944 to the plan for the years ended June 30, 2023 and 2022, respectively.

Note 7 - Section 457 plan assets and liabilities

JSSA has a 457(b) plan and a 457(f) plan covering select members of management. The 457(b) plan allows for employee deferrals and employer contributions as allowed under the Internal Revenue Code. Both employee and employer contributions are immediately vested. The 457(f) plan does not allow employee deferrals, but does provide for employer discretionary contributions. Employer contributions vest with the employee based on the date specified by JSSA. Employer contributions totaled $83,291 and $84,504 for the years ended June 30, 2023 and 2022, respectively. Section 457 plan assets and the related liabilities for the plans as of June 30, 2023 and 2022 totaled $963,571 and $767,646, respectively, as shown on the consolidated statements of financial position.

Note 8 - Commitments and contingencies

JSSA has a contract with its Chief Executive Officer ("CEO") through August 31, 2025. The contract contains provisions for salary continuation of 12 months if he is terminated by mutual written agreement between the CEO and the Executive Committee or by disability.

Note 9 - Leases

JSSA leases office space in Northern Virginia under a lease that expires on September 30, 2027. The lease contains annual escalations to the base rent and a monthly rent abatement for the first 10 months of the term. As of June 30, 2022, JSSA reported $114,303 of deferred rent and lease incentives on the consolidated statement of financial position (prior to the adoption of Topic 842). Rent expense for the years ended June 30, 2023 and 2022, was $236,680 and $243,531, respectively, and is included in occupancy on the consolidated statement of functional expenses.

Future minimum rental lease payments are as follows for the years ending June 30:

2024	$ 226,943
2025	232,616
2026	238,432
2027	244,392
2028	62,366
Subtotal	1,004,749
Less: Imputed interest at 2.42%	(51,719)
Present value of net minimum lease payments	953,030
Less: current portion	206,146
Long-term lease portion	$ 746,884
Other lease information	
Weighted-average annual discount rate - operating	2.42%
Weight-average remaining lease term (years)	4.25

Note 10 - Net assets with donor restrictions

Net assets with donor restrictions are available to support the following programs at June 30, 2023 and 2022:

	2023	2022
Subject to expenditure for specified time and purpose		
Children and families	$ 73,217	$ 73,217
Jewish education loan and scholarship program	150,136	126,036
Support for frail elders	256,188	270,149
Special needs (disabilities)	20,256	22,256
Hospice funding for PPE	-	18,357
Building fund	27,047	3,350
Corpus and expendable portion of the following endowments		
Support for hospice clients	5,510,388	5,261,630
Provide for the needs of children and families	13,550,354	11,833,407
Provide for the transportation needs of clients	851,749	480,776
Adoption services	58,069	55,597
Building maintenance fund	955,245	898,521
Provide services to clients with disabilities	1,695,096	1,721,538
Educational testing and advocacy	1,379,689	1,393,518
Support for frail elders	9,649,249	8,732,535
Vocational support services	552,312	536,697
Hospice transition support	239,848	219,240
Volunteer services	173,779	150,813
Jewish community outreach	578,968	544,382
Overall needs	273,208	328,673
Educational scholarships	2,491,975	2,136,499
Total	$ 38,486,773	$ 34,807,191

Note 11 - Endowments

JSSA's endowments were established to support a variety of programs and consist of 14 donor-restricted endowment funds and a board-designed endowment fund. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of relevant law
The Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as enacted into law in Washington, D.C. on January 23, 2008 as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. Consequently, JSSA classifies in perpetuity (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the endowment. The

remaining portion of the donor-restricted endowment fund that is not retained in perpetuity is subject to appropriation for expenditure by JSSA in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, JSSA considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund.
2. The purpose of JSSA and the donor-restricted endowment fund.
3. General economic conditions.
4. The possible effect of inflation and deflation.
5. The expected total return from income and the appreciation of investments.
6. Other resources of JSSA.
7. The investment policies of JSSA.

Funds with deficiencies
From time to time, the fair value of the assets associated with individual donor-restricted endowments may fall below the level that the donor or UPMIFA requires JSSA to retain as a fund of perpetual duration (underwater endowments). JSSA has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At June 30, 2023, funds with original gift values of $1,010,000, fair values of $955,245 and deficiencies of $54,755 were reported in net assets with donor restrictions. At June 30, 2022, funds with original gift values of $1,569,892, fair values of $1,379,297 and deficiencies of $190,595 were reported in net assets with donor restrictions.

Return objectives and risk parameters
JSSA has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to the programs supported by the endowments. The endowment assets are invested in a manner that is intended to achieve appreciation of assets without exposure to undue risk.

Spending policy
JSSA's Investment Policy Statement allows distributions each year up to 6% of its endowment fund's average market value over the prior three years preceding the fiscal year in which the distribution is planned. In establishing this policy, JSSA considered the long-term expected returns on its endowment investments. Accordingly, over the long-term, JSSA expects the current spending policy will allow its endowments to retain the original fair value of the gift. For the year ended June 30, 2023 and 2022, JSSA's distribution was 5.5%.

Strategies employed for achieving objectives
The long-term goal of the endowment funds is to achieve appreciation of assets without exposure to undue risk. Objectives of the endowment funds are to maintain asset levels capable of supporting desired levels of spending, to provide additional growth to cover operating expenses, and to preserve the purchasing power of the endowment assets over time. In order to achieve these objectives, the total return of the endowment funds is expected to exceed the Consumer Price Index for All Urban Consumers, or any successor index, by 6% over a five-year moving time period.

Endowment net asset composition by type of fund at June 30, 2023 and 2022 are as follows:

	June 30, 2023		
	Without donor restrictions	With donor restrictions	Total
Donor-restricted endowment funds	$ -	$ 37,959,929	$ 37,959,929
Board designated endowment funds	10,164,411	-	10,164,411
Total funds	$ 10,164,411	$ 37,959,929	$ 48,124,340

	June 30, 2022		
	Without donor restrictions	With donor restrictions	Total
Donor-restricted endowment funds	$ -	$ 34,293,826	$ 34,293,826
Board designated endowment funds	13,685,067	-	13,685,067
Total funds	$ 13,685,067	$ 34,293,826	$ 47,978,893

Changes in endowment net assets for the years ended June 30, 2023 and 2022 are as follows:

	Without donor restrictions	With donor restrictions	Total
Endowment net assets, July 1, 2021	$ 15,400,638	$ 38,229,237	$ 53,629,875
Contributions	952,154	2,540,510	3,492,664
Investment income			
Unrealized loss	(2,765,031)	(6,952,977)	(9,718,008)
Realized gain	277,903	705,761	983,664
Dividends and interest	606,984	1,563,982	2,170,966
Taxes and fees	(26,154)	(64,967)	(91,121)
Total investment income (loss)	(1,906,298)	(4,748,201)	(6,654,499)
Appropriation for expenditure	(761,427)	(1,727,720)	(2,489,147)
Endowment net assets, June 30, 2022	13,685,067	34,293,826	47,978,893
Contributions	100,446	2,004,327	2,104,773
Investment income			
Unrealized gain	817,066	2,063,149	2,880,215
Realized gain	313,902	793,501	1,107,403
Dividends and interest	320,023	805,324	1,125,347
Taxes and fees	(21,535)	(54,228)	(75,763)
Total investment income	1,429,456	3,607,746	5,037,202
Appropriation for expenditure	(5,050,558)	(1,945,970)	(6,996,528)
Endowment net assets, June 30, 2023	$ 10,164,411	$ 37,959,929	$ 48,124,340

Note 12 - Fair value measurements

This FASB ASC topic establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and provide the highest priority inputs; Level 2 inputs are based primarily on quoted prices for identical assets in inactive markets or similar assets or liabilities in active or inactive markets as significant other observable inputs and; Level 3 inputs provide the lowest quality inputs because there are no significant observable inputs. JSSA uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, JSSA measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. All assets have been valued using a market approach. The 457 plan assets are comprised of equity and fixed income mutual funds. The value of the 457 plan liabilities is based upon the underlying fair value of the 457 plan assets. There were no changes in the valuation techniques used during the current year. State of Israel bonds are reported at amortized cost in Note 4 and excluded from the tables below.

Under ASU 2015-07, investments that are measured at fair value using NAV as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position:

June 30, 2023	Fair value	Net asset value	Quoted prices in active markets for identical assets/liabilities (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets					
U.S. large capitalization exchange-traded funds	$ 12,433,925	$ -	$ 12,433,925	$ -	$ -
U.S. mid capitalization exchange-traded funds	3,848,830	-	3,848,830	-	-
U.S. small capitalization exchange-traded funds	3,367,537	-	3,367,537	-	-
International mutual funds and exchange-traded funds	6,671,848	-	6,671,848	-	-
Emerging markets mutual funds	5,926,156	-	5,926,156	-	-
Fixed income mutual funds	9,153,487	-	9,153,487	-	-
Alternative investment strategies	6,846,052	6,846,052	-	-	-
Cash, money market funds and accrued interest	1,316,409	-	1,316,409	-	-
Total investments	49,564,244	6,846,052	42,718,192	-	-
Section 457 plan assets	963,571	-	963,571	-	-
Total assets	$ 50,527,815	$ 6,846,052	$ 43,681,763	$ -	$ -
Liabilities					
Section 457 plan liabilities	$ (963,571)	$ -	$ (963,571)	$ -	$ -

June 30, 2022	Fair value	Net asset value	Quoted prices in active markets for identical assets/liabilities (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets					
U.S. large capitalization exchange-traded funds	$ 11,152,296	$ -	$ 11,152,296	$ -	$ -
U.S. mid capitalization exchange-traded funds	3,708,441	-	3,708,441	-	-
U.S. small capitalization exchange-traded funds	3,201,883	-	3,201,883	-	-
International mutual funds and exchange-traded funds	6,085,447	-	6,085,447	-	-
Emerging markets mutual funds	5,253,988	-	5,253,988	-	-
Fixed income mutual funds	8,337,454	-	8,337,454	-	-
Alternative investment strategies	9,250,662	8,911,855	338,807	-	-
Cash, money market funds and accrued interest	1,366,308	-	1,366,308	-	-
Total investments	48,356,479	8,911,855	39,444,624	-	-
Section 457 plan assets	767,646	-	767,646	-	-
Total assets	$ 49,124,125	$ 8,911,855	$ 40,212,270	$ -	$ -
Liabilities					
Section 457 plan liabilities	$ (767,646)	$ -	$ (767,646)	$ -	$ -

Investments in alternative investment strategies consist of a managed mutual fund that is traded in an active market and therefore a Level 1 investment, as well managed mutual funds and hedge funds, which meet the criteria under GAAP for investments that calculate NAV per share. NAV per share is calculated based on measurement of all of the underlying investments in the three funds in accordance with the FASB ASC Topic 946 on investment companies. Inputs include foreign exchange and commodity markets that trade using highly-liquid and regulated futures and foreign exchange contracts; features of the underlying investments, including subscription and redemption rights, expected discounted cash flows, transactions in the secondary market, bids received from potential buyers and overall market conditions; models that are based on inputs from active markets; and pricing models that have significant unobservable inputs.

The funds that calculate NAV per share have investment strategies that seek to achieve long-term capital appreciation. The funds aim to achieve this by investing in a range of trading styles, including long-term trend following, event driven, relative value, arbitrage strategies, short-term systematic, value, discretionary macro and foreign exchange strategies. Market exposure is diversified with positions in global currency, financial and commodity markets.

There are restrictions on redemptions on Alternative Investments valued at NAV. JSSA had invested in a fund that permits redemptions on a monthly basis. Another fund allows for redemptions to be processed by the following business day, while another allows redemptions on a semi-annual basis. There were no unfunded commitments related to the alternative investments as of June 30, 2023 and 2022.

Note 13 - Concentration of credit risk

JSSA maintained balances in its cash, cash equivalents and short-term investments that, at times, exceed Federal Deposit Insurance Corporation ("FDIC") limits. At June 30, 2023, JSSA had uninsured deposits totaling approximately $1,193,479 in excess of FDIC limits.

Note 14 - Line of credit

In June 2015, JSSA entered into a portfolio loan agreement and obtained a secured line of credit with no stated expiration date. The amount available for borrowing is based on a portion of the portfolio balance. As of June 30, 2023 and 2022, $8,800,000 was the maximum available for borrowing. The line of credit had a variable interest rate of LIBOR rate plus 1.25%. Effective September 2021, the LIBOR rate was transitioned to a SOFR based rate. Interest is to be paid monthly based on the outstanding balance. The line of credit is secured by JSSA's investment holdings in its portfolio held with the lender. Internally, the Board of Directors initially restricted the use of the line of credit to fund the liability associated with the settlement of the defined benefit plan. During the year ended June 30, 2018, the Board of Directors expanded the use of the line of credit to cover cash flow needs related to the capital construction project. During the year ended June 30, 2017, JSSA drew $6,971,017 to fund the settlement of the defined benefit plan and for the year ended June 30, 2018, JSSA drew down $2,675,000, related to the capital construction project. The amount outstanding on the line of credit was $2,723,861 and $3,599,350 at June 30, 2023 and 2022, respectively. Interest expense was $166,135 and $65,721 for the years ended June 30, 2023 and 2022, respectively.

Note 15 - Letter of credit

JSSA has a $136,479 letter of credit for the benefit of the State of Maryland for potential unemployment claims. The letter of credit is secured by deposit accounts maintained with the lender, and other assets, and has an expiration date of October 1, 2023. In November 2023, the letter of credit agreement was amended changing the amount to $175,427 and changing the terms to be due on demand.

Note 16 - Provider Relief Funds

JSSA has received distributions from the Department of Health and Human Services ("HHS") Provider Relief Fund (collectively, the "Provider Relief Fund"). These distributions from the Provider Relief Fund are not subject to repayment, provided JSSA is able to attest to and comply with the terms and conditions of the funding, including demonstrating that the distributions received have been used for qualifying expenses or lost revenue attributable to COVID-19, as defined by the Department of Health and Human Services. JSSA has elected to account for such payments as conditional contributions in accordance with ASC Topic 958-605, *Revenue Recognition*. Payments are recognized as government grant revenue once the applicable terms and conditions required to retain the funds have been substantially met.

During the year ended June 30, 2022, JSSA received $527,726 of Provider Relief Funds, which were eligible to be spent through December 31, 2022. During the year ended June 30, 2022, JSSA recognized revenue of $410,443 related to the Provider Relief Funds, with $117,283 remaining as a refundable advance as of June 30, 2022. During the year ended June 30, 2023, JSSA recognized the remaining $117,283 as revenue and is included in Government grants on the consolidated statement of activities and change in net assets.

Note 17 - Holocaust Survivors' Community Fund

During April 2013, the Jewish Federation of Greater Washington (the "Federation") and the Jewish Community Foundation ("JCF") established The Holocaust Survivors' Community Fund (the "Fund") to raise money for the benefit of the Holocaust survivors served by the Jewish Social Service Agency. The Fund is held by JCF, which retains legal control over the Fund. JSSA may request distributions on an as-needed basis, but such requests are subject to approval by the Federation. Because distributions are at the discretion of the Federation, the distributions are recognized in the period that notification of payment is received. Any distributions received by JSSA will be recorded as revenue with donor restrictions by JSSA. JSSA received $450,000 for the years ended June 30, 2023 and 2022.

Note 18 – In-kind contributions

Donated services, goods and facilities are recorded as revenue and support and expenses at their fair value when received and have been presented on the consolidated statements of activities and change in net assets as contributions without donor restrictions and expensed in the appropriate functional expense category. Donated legal services are valued based on the hourly rates of the individuals performing the services. Donated other direct costs are based on the estimated fair value of the items received. All contributed nonfinancial assets were considered without donor restrictions and able to be used by JSSA. JSSA received the following contributed goods and services:

		Year ended June 30,	
		2023	2022
Legal fees	Management and general	$ 59,140	$ 47,225
Other direct costs	Aging in Place	40,301	-
		$ 99,441	$ 47,225

A substantial number of volunteers have donated their time to support JSSA's program services and fundraising campaigns during the year; however, no amounts have been recognized on the accompanying consolidated statements of activities and change in net assets for this time, as it does not create or enhance financial assets or require specialized skills.