# Jewish Social Service Agency and Affiliates

## Consolidated Financial Statements
## and Independent Auditor's Report

## June 30, 2025 and 2024

CohnReznick

**Jewish Social Service Agency and Affiliates**

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CohnReznick LLP
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Independent Auditor's Report on Consolidated Financial Statements

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, 2025 and 2024, 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, 2025 and 2024, 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 JSSA, 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 Consolidated 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 JSSA's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

*Auditor's Responsibilities for the Audit of the Consolidated 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 JSSA's internal control. Accordingly, no such opinion is expressed.

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

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about 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 audits.

CohnReznick LLP

Holmdel, New Jersey
December 11, 2025

**Jewish Social Service Agency and Affiliates**

**Consolidated Statements of Financial Position**
**June 30, 2025 and 2024**

Assets

| | 2025 | 2024 |
|---|---|---|
| Current assets | | |
| Cash and cash equivalents | $ 559,497 | $ 1,547,839 |
| Investments, short-term | 1,619,851 | 1,861,057 |
| Contributions and grants receivable | 1,559,462 | 424,134 |
| Accounts and grants receivable, net of allowance for credit losses of $67,267 in 2025 and $331,321 in 2024 | 2,051,422 | 2,115,433 |
| Pledges receivable, net | 414,865 | 163,334 |
| Prepaid expenses | 369,058 | 310,937 |
| Total current assets | 6,574,155 | 6,422,734 |
| Investments, long-term | 53,677,254 | 51,714,185 |
| Property and equipment, net | 11,822,112 | 12,010,430 |
| Right-of-use asset-operating lease | 461,275 | 657,368 |
| Long-term pledges receivable, net | 1,025,399 | 170,649 |
| Beneficial interest in trusts | 1,843,329 | - |
| Deposits | 16,768 | 148,858 |
| Section 457 plan assets | 1,345,109 | 1,141,991 |
| | $ 76,765,401 | $ 72,266,215 |

Liabilities and Net Assets

| | 2025 | 2024 |
|---|---|---|
| Current liabilities | | |
| Accounts payable, accrued expenses and other liabilities | $ 3,756,022 | $ 3,454,626 |
| Line of credit | 741,861 | 1,572,861 |
| Operating lease obligation, current portion | 228,116 | 216,928 |
| Refundable advances | 117,393 | 837,359 |
| Total current liabilities | 4,843,392 | 6,081,774 |
| Operating lease liability, net of current portion | 301,840 | 529,956 |
| Section 457 plan liabilities | 1,345,109 | 1,141,991 |
| Total liabilities | 6,490,341 | 7,753,721 |
| Net assets | | |
| Without donor restrictions | | |
| Undesignated | 9,445,820 | 10,785,451 |
| Board designated endowment fund | 9,614,235 | 9,551,705 |
| Reserve fund | 1,274,018 | 1,532,647 |
| Total without donor restrictions | 20,334,073 | 21,869,803 |
| With donor restrictions | 49,940,987 | 42,642,691 |
| Total net assets | 70,275,060 | 64,512,494 |
| | $ 76,765,401 | $ 72,266,215 |

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, 2025**

| | Without donor restrictions | With donor restrictions | Total |
|---|---|---|---|
| Revenue and support | | | |
| Private and foundation grants | $ 1,832,687 | $ 2,191,406 | $ 4,024,093 |
| Government grants | 617,897 | 15,675,425 | 16,293,322 |
| Federation grants | 61,897 | 1,105,225 | 1,167,122 |
| Contributions, bequests and gifts | 1,362,632 | 4,445,963 | 5,808,595 |
| Contributions of nonfinancial assets | 512,749 | - | 512,749 |
| Other revenue | 96,648 | - | 96,648 |
| Net program service fees | 17,562,905 | - | 17,562,905 |
| Investment income, net | 1,139,252 | 4,596,355 | 5,735,607 |
| Net assets released from restrictions | 20,716,078 | (20,716,078) | - |
| Total revenue and support | 43,902,745 | 7,298,296 | 51,201,041 |
| Expenses | | | |
| Program services | | | |
| Mental health and well-being | 10,627,982 | - | 10,627,982 |
| Aging in place | 1,440,875 | - | 1,440,875 |
| Holocaust survivors | 9,934,541 | - | 9,934,541 |
| Hospice services | 10,295,145 | - | 10,295,145 |
| Career services | 1,694,442 | - | 1,694,442 |
| Homecare | 2,045,679 | - | 2,045,679 |
| Family support services | 1,894,935 | - | 1,894,935 |
| Other programs | 555,759 | - | 555,759 |
| Total program services | 38,489,358 | - | 38,489,358 |
| Supporting services | | | |
| Management and administrative | 5,138,177 | - | 5,138,177 |
| Fundraising | 1,810,940 | - | 1,810,940 |
| Total supporting services | 6,949,117 | - | 6,949,117 |
| Total expenses | 45,438,475 | - | 45,438,475 |
| Change in net assets | (1,535,730) | 7,298,296 | 5,762,566 |
| Net assets, beginning of year | 21,869,803 | 42,642,691 | 64,512,494 |
| Net assets, end of year | $ 20,334,073 | $ 49,940,987 | $ 70,275,060 |

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, 2024**

| | Without donor restrictions | With donor restrictions | Total |
|---|---|---|---|
| Revenue and support | | | |
| Private and foundation grants | $ 1,813,031 | $ 776,245 | $ 2,589,276 |
| Government grants | 313,187 | 10,533,056 | 10,846,243 |
| Federation grants | 66,672 | 1,245,000 | 1,311,672 |
| Contributions, bequests and gifts | 902,486 | 1,629,716 | 2,532,202 |
| Contributions of nonfinancial assets | 134,611 | - | 134,611 |
| Net program service fees | 17,420,861 | - | 17,420,861 |
| Investment income, net | 1,441,036 | 4,860,163 | 6,301,199 |
| Net assets released from restrictions | 14,888,262 | (14,888,262) | - |
| Total revenue and support | 36,980,146 | 4,155,918 | 41,136,064 |
| Expenses | | | |
| Program services | | | |
| Mental health and well-being | 8,768,663 | - | 8,768,663 |
| Aging in place | 1,492,741 | - | 1,492,741 |
| Holocaust survivors | 7,937,896 | - | 7,937,896 |
| Hospice services | 10,055,835 | - | 10,055,835 |
| Career services | 1,772,488 | - | 1,772,488 |
| Homecare | 2,874,751 | - | 2,874,751 |
| Other programs | 551,328 | - | 551,328 |
| Total program services | 33,453,702 | - | 33,453,702 |
| Supporting services | | | |
| Management and administrative | 4,119,317 | - | 4,119,317 |
| Fundraising | 1,586,373 | - | 1,586,373 |
| Total supporting services | 5,705,690 | - | 5,705,690 |
| Total expenses | 39,159,392 | - | 39,159,392 |
| Change in net assets | (2,179,246) | 4,155,918 | 1,976,672 |
| Net assets, beginning of year | 24,049,049 | 38,486,773 | 62,535,822 |
| Net assets, end of year | $ 21,869,803 | $ 42,642,691 | $ 64,512,494 |

See Notes to Consolidated Financial Statements.

# Jewish Social Service Agency and Affiliates

## Consolidated Statement of Functional Expenses
## Year Ended June 30, 2025

| | Program services | | | | | | | | | Supporting services | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Mental health and well-being | Aging in Place | Holocaust survivors | Hospice services | Career services | Homecare | Family Support Services | Other programs | Total program | Management and general | Fundraising | Total |
| Expenses | | | | | | | | | | | | |
| Salaries, taxes and benefits | $ 8,348,185 | $ 719,004 | $ 1,539,158 | $ 7,451,594 | $ 1,105,243 | $ 1,757,416 | $ 1,239,070 | $ 331,224 | $ 22,490,894 | $ 3,362,678 | $ 969,795 | $ 26,823,367 |
| Health, medical and nutritional support to clients | 242,995 | 450,503 | 7,787,195 | 1,137,544 | 130,315 | 9,437 | 186,229 | 41,523 | 9,985,741 | 1,050 | - | 9,986,791 |
| Other direct costs | 192,957 | 88,997 | 67,061 | 2,795 | 2,108 | 4,617 | 309,885 | 23,237 | 691,657 | 55,970 | 63 | 747,690 |
| Financial assistance | 83,801 | 189 | 222,764 | - | - | - | - | 112,241 | 418,995 | (535) | - | 418,460 |
| Occupancy | 700,772 | 49,184 | 77,946 | 357,738 | 127,248 | 50,540 | 50,336 | 9,868 | 1,423,632 | 157,275 | 42,901 | 1,623,808 |
| Technology and professional services | 549,305 | 56,373 | 104,450 | 598,620 | 158,000 | 54,682 | 58,179 | 12,029 | 1,591,638 | 1,060,713 | 409,471 | 3,061,822 |
| Depreciation and amortization | 265,924 | 21,310 | 36,501 | 187,296 | 75,769 | 27,221 | 1,402 | 6,252 | 621,675 | 118,673 | 29,587 | 769,935 |
| Other expenses | 244,043 | 55,315 | 99,466 | 559,558 | 95,759 | 141,766 | 49,834 | 19,385 | 1,265,126 | 382,353 | 359,123 | 2,006,602 |
| Total expenses | $ 10,627,982 | $ 1,440,875 | $ 9,934,541 | $10,295,145 | $ 1,694,442 | $ 2,045,679 | $ 1,894,935 | $ 555,759 | $ 38,489,358 | $ 5,138,177 | $ 1,810,940 | $ 45,438,475 |

See Notes to Consolidated Financial Statements.

## Jewish Social Service Agency and Affiliates

## Consolidated Statement of Functional Expenses
## Year Ended June 30, 2024

| | Program services | | | | | | | | Supporting services | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Mental health and well-being | Aging in Place | Holocaust survivors | Hospice services | Career services | Homecare | Other programs | Total program | Management and general | Fundraising | Total |
| Expenses | | | | | | | | | | | |
| Salaries, taxes and benefits | $ 6,961,774 | $ 808,648 | $ 1,525,361 | $ 7,176,991 | $ 1,187,853 | $ 2,459,042 | $ 315,740 | $ 20,435,409 | $ 2,728,395 | $ 911,787 | $ 24,075,591 |
| Health, medical and nutritional support to clients | 122,444 | 438,750 | 5,861,524 | 1,293,889 | 135,529 | 20,260 | 46,761 | 7,919,157 | - | - | 7,919,157 |
| Other direct costs | 43,255 | 57,841 | 51,887 | 34,410 | 909 | 35,096 | 8,505 | 231,903 | 66,163 | - | 298,066 |
| Financial assistance | 1,000 | 630 | 224,263 | - | - | - | 142,490 | 368,383 | - | - | 368,383 |
| Occupancy | 528,285 | 46,106 | 63,894 | 287,402 | 80,452 | 60,337 | 5,028 | 1,071,504 | 96,429 | 23,112 | 1,191,045 |
| Technology and professional services | 573,007 | 62,371 | 89,073 | 568,130 | 157,153 | 87,036 | 11,078 | 1,547,848 | 722,441 | 373,578 | 2,643,867 |
| Depreciation and amortization | 237,856 | 27,738 | 41,658 | 183,341 | 55,538 | 42,725 | 4,706 | 593,562 | 100,033 | 23,466 | 717,061 |
| Other expenses | 301,042 | 50,657 | 80,236 | 511,672 | 155,054 | 170,255 | 17,020 | 1,285,936 | 405,856 | 254,430 | 1,946,222 |
| Total expenses | $ 8,768,663 | $ 1,492,741 | $ 7,937,896 | $ 10,055,835 | $ 1,772,488 | $ 2,874,751 | $ 551,328 | $ 33,453,702 | $ 4,119,317 | $ 1,586,373 | $ 39,159,392 |

See Notes to Consolidated Financial Statements.

# Jewish Social Service Agency and Affiliates

## Consolidated Statements of Cash Flows
## Years Ended June 30, 2025 and 2024

| | 2025 | 2024 |
|---|---|---|
| Cash flows from operating activities | | |
| Change in net assets | $ 5,762,566 | $ 1,976,672 |
| Adjustments to reconcile change in net assets to net cash used in operating activities | | |
| Depreciation and amortization | 769,935 | 717,061 |
| Donated investments | (360) | (90,047) |
| Realized and unrealized gain on investments | (4,423,232) | (4,999,547) |
| Credit losses | 104,903 | 242,228 |
| Bad debt expense | 63,487 | - |
| Discount on pledges receivable | 68,596 | 8,467 |
| Endowment contributions | (984,901) | (1,266,078) |
| Contributions and grants received for long-term purposes | - | (25,000) |
| Amortization of operating lease right-of-use asset | 196,093 | 190,985 |
| Beneficial interest in trusts | (2,317,708) | - |
| Changes in | | |
| Contributions and grants receivable | (1,135,328) | 893,073 |
| Accounts and grants receivable | (40,892) | (55,783) |
| Pledges receivable | (1,238,364) | (208,334) |
| Prepaid expenses | (58,121) | (12,140) |
| Beneficial interest in trusts | 474,379 | - |
| Accounts payable, accrued expenses and other liabilities | 301,396 | 1,422,439 |
| Operating lease liability | (216,928) | (206,146) |
| Deposits | 132,090 | (132,618) |
| Refundable advances | (719,966) | 592,068 |
| Net cash used in operating activities | (3,262,355) | (952,700) |
| Cash flows from investing activities | | |
| Proceeds from sale of investments | 17,974,650 | 11,425,548 |
| Purchases of investments | (15,272,921) | (10,236,556) |
| Purchases of property and equipment | (581,617) | (424,775) |
| Net cash provided by investing activities | 2,120,112 | 764,217 |
| Cash flows from financing activities | | |
| Collection of endowment contributions | 984,901 | 1,266,078 |
| Collection of contributions and grants received for long-term purposes | - | 25,000 |
| Payments on line of credit | (831,000) | (1,151,000) |
| Net cash provided by financing activities | 153,901 | 140,078 |
| Net decrease in cash and cash equivalents | (988,342) | (48,405) |
| Cash and cash equivalents, beginning of year | 1,547,839 | 1,596,244 |
| Cash and cash equivalents, end of year | $ 559,497 | $ 1,547,839 |
| Supplementary disclosure of cash flow information | | |
| Cash paid for interest | $ 79,208 | $ 167,490 |
| Noncash investing activity | | |
| Write-off of fully depreciated property and equipment resulting from disposal | $ 290,500 | $ 52,235 |

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 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 was the sole sponsor of Premier, which allowed it to exercise control over the Premier Board of Directors. 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. Premier is a nonprofit organization incorporated in 2000 under the laws of the State of Maryland. Premier is a dormant company as of June 30, 2024.

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.

JSSA maintained balances in its cash, cash equivalents and short-term investments that, at times, exceed Federal Deposit Insurance Corporation ("FDIC") limits.

**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 13 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, 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 covered 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 2025.

During the year ended June 30, 2023, JSSA began undergoing a routine Medicare Targeted Probe and Educate (TPE) audit in the hospice program. Technical assistance was provided to JSSA to enhance compliance with Medicare standards for reimbursement. During the year ended June 30, 2024, JSSA's own internal compliance review process determined that approximately $450,000 of services rendered would not be submitted for reimbursement. As such, these services were not included in revenue for the year ended June 30, 2024. During the year ended June 30, 2024, JSSA had an allowance for credit losses of approximately $200,000 relating to the TPE audit. As of June 30, 2025, the TPE audit has been completed and there is no allowance for credit losses recorded.

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, 2025, 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, 2025 and 2024 amounted to approximately $106,000 and $46,000, respectively. Such amounts determined to qualify as charity care are not reported as revenue.

Receivables are reported net of an allowance for credit losses. Management's estimate of the allowance is based on historical collection experience and a review of the current status of accounts receivable. Receivables that are deemed uncollectible are written off. Subsequent changes that are determined to be the result of an adverse change in the client's ability to pay are recorded as credit loss expense. The beginning balance of the accounts and grants receivable accounts as of July 1, 2023 was $2,296,885.

**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, 2025 and 2024, JSSA had refundable advances of $117,393 and $837,359, respectively, related to conditional grants. JSSA has executed conditional grants totaling approximately $5,702,000 that have not been recognized as revenue or receivable at June 30, 2025. This amount will be recognized as revenue in subsequent years as the conditions for the grants are met. 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, 2025 and 2024, 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. The beginning balance of the contributions and grants receivable accounts as of July 1, 2023 was $1,317,207.

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 $769,935 and $717,061 for the years ended June 30, 2025 and 2024, respectively.

**Valuation of long-lived assets**

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reportable at the lower of the carrying amount or fair value, less costs to sell.

**Leases**

JSSA accounts for leases in accordance with the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") Topic 842, Leases. Under ASC 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. JSSA has determined that its signed agreement for office space fits the criteria under ASC Topic 842. Under ASC Topic 842, a right-of-use asset and lease obligations are recognized based on the present value of lease payments over the lease term, where the initial term of the lease exceeds twelve months, using an appropriate discount rate. As the rate implicit in the lease is generally not readily determinable, JSSA has elected to use the incremental borrowing rate as the discount rate. The operating obligations are reduced as cash payments are made under the terms of the leases. Interest is charged to occupancy expense for the difference. The lease right-of-use asset is amortized over the lease term and reflected as occupancy expense, as applicable, for the difference in the accompanying consolidated financial statements. Lease expense is recognized on a straight-line basis over the term of the leases. 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. JSSA has elected and applies the practical expedient available to lessees to combine nonlease components with their related lease components and account for them in a single combined lease component for all its leases.

**Beneficial interest in trusts**
JSSA is the beneficiary of a certain trust administered by a third party under which they have the irrevocable right to receive a portion of the income earned on the trust assets. JSSA has recognized the present value of the expected future cash flows. This is generally measured by the fair value of the assets contributed to the trust and has been recorded as beneficial interest in perpetual trust, in the accompanying consolidated statements of financial position. The annual income generated has been included in contributions on the consolidated statements of activities and change in net assets.

JSSA has been named a charitable remainder beneficiary of five charitable remainder unitrusts administered by a third party, under which JSSA will receive the remaining trust assets upon death of the beneficiaries. Remainder interests are classified as net assets with donor restrictions is based on present value calculations based upon the life expectancy of the beneficiaries, fair value of the trust assets and discount rates of 3.79% - 4.79%.

JSSA may be the beneficiary of interests in trusts and other assets in situations where they have not been notified of their interest, or the interest may be conditional or revocable, or the value of the interest may not be readily ascertainable. In such circumstances, no revenue has been recorded.

**Concentration of revenue**
A substantial amount of JSSA's revenue is received from Medicare as part of JSSA's net program service fees. Approximately 23% and 31% of JSSA's total revenue, excluding investment income, was received from Medicare for the years ended June 30, 2025 and 2024, 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, 2025. Tax years prior to 2022 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 patients with comfort, respect, and dignity in their final stage of life. JSSA supports physical, emotional, and practical end-of-life needs with expert, compassionate, and culturally sensitive end-of-life care for individuals and their families. JSSA's Transitions program fills the void for patients and families of all faiths and ethnicities as they face serious illness.

*Mental Health and Community-Based Services* - provide comprehensive treatment, intervention, and support services for children, adolescents, families, and adults with mental health challenges. Through the Outpatient Mental Health Clinic, JSSA provides therapy and counseling for children, teens, adults, couples, and families navigating life's challenges. JSSA's J-Caring Community Support Line connects individuals throughout the region with community-based resources to help meet their immediate challenges. JSSA also provides emergency shelter and support services to victims of domestic violence at the Betty Ann Krahnke Center. Camp Greentree is a summer day-treatment program that serves children and adolescents whose functioning is compromised by behavioral, emotional, and/or mental health challenges.

*Aging in Place and Holocaust Survivors* - provide care management and a range of supportive services, empowering older adults and Holocaust survivors to age safely and independently in their homes. We coordinate many elements of their care. Brenner Transportation provides escorted transportation to medical appointments. Meals on Wheels delivers kosher meals to individuals aged 60 and over confined to their homes. Chaplaincy services are provided to individuals in assisted living facilities and hospitals.

*Family Support Services* - JSSA strengthens families, helping them navigate and overcome challenges before they reach a crisis. JSSA's Family Discover Center is a multigenerational family support program offering English literacy classes and child development programs for families with children up to four years of age. Dare to Be You is an early childhood program helping parents and children hone their communication skills and establish greater trust for deeper, more resilient relationships. Learning English Together provides adult literacy and ESOL classes both in-person and online to increase success at work and school. Kids Spot, located in the Montgomery County Circuit Court, provides a supervised play area for children whose parents/guardians have business in the court. Safe Passage Center is a supervised visitation and monitored exchange program that creates a safe space for children to maintain a healthy relationship with their parents, regardless of family dynamics. The Ed Bohrer Parent Resource Center offers a range of support and educational services to families residing in the City of Gaithersburg.

*Career Services* - JSSA helps adults with disabilities and our neighbors facing job transitions secure employment to build financial, social, and emotional well-being. JSSA has expanded their services to help displaced government employees and contractors access resources, including financial assistance, workforce programs, job fairs, and skills workshops. JSSA focuses on individual strengths, interests, and skills to match people with the right jobs and support their personal career goals. JSSA also works with employers to fill hard-to-place positions with qualified, dependable employees.

*Homecare* - JSSA caregivers visit adults with complex needs and those recovering from surgery to create care plans, assist with activities of daily living, and provide medication management. With warmth and sensitivity, JSSA empowers adults of all ages to remain at home with a strong sense of dignity as they navigate physical, social, and emotional challenges.

*Other Programs* - JSSA's Training Institute provides professional clinical training to agency staff and community mental health professionals. JSSA administers scholarships on behalf of several benefactors to graduate and undergraduate students based on financial need. JSSA's Jewish Enrichment and Engagement Department focuses on integrating the foundational Jewish values upon which the agency was founded into their work serving the diverse human service needs of the broad community and the Jewish community.

**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 Chief Executive Officer ("CEO") and/or the Chief Financial Officer ("CFO).

**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 11, 2025, the date the consolidated financial statements were available to be issued.

## 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, 2025 and 2024, reduced by amounts that are not available to meet normal operating expenditures within one year of the consolidated statements 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, 2025 and 2024, financial assets available to meet the general expenditures within one year of the consolidated financial statements consist of the following:

| | 2025 | 2024 |
|---|---|---|
| Cash and cash equivalents | $ 559,497 | $ 1,547,839 |
| Investments, short-term | 1,619,851 | 1,861,057 |
| Contributions and grants receivable | 1,559,462 | 424,134 |
| Accounts and grants receivable, net | 2,051,422 | 2,115,433 |
| Pledges receivable, net | 1,440,264 | 333,983 |
| Investments, long-term | 53,677,254 | 51,714,185 |
| Total financial assets | 60,907,750 | 57,996,631 |
| Less those unavailable for general expenditure within one year | | |
| Long-term pledges receivable, net | (1,025,399) | (170,649) |
| Board designated endowment fund, net of budgeted appropriations* | (9,245,296) | (8,810,806) |
| Donor-restricted endowment funds, net of budgeted appropriations | (43,725,978) | (40,002,962) |
| Financial assets not available to be used within one year | (53,996,673) | (48,984,417) |
| Financial assets available to meet general expenditures within one year | $ 6,911,077 | $ 9,012,214 |

* 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, 2025 and 2024:

| | 2025 | 2024 |
|---|---|---|
| Land | $ 2,512,911 | $ 2,512,911 |
| Cemetery plots | 7,200 | 7,200 |
| Building and building improvements | 9,457,216 | 9,593,101 |
| Leasehold improvements | 4,431,541 | 4,431,541 |
| Furniture and fixtures | 871,192 | 862,790 |
| Equipment and computer software | 3,868,868 | 3,724,895 |
| Automobiles | 616,704 | 342,077 |
| | 21,765,632 | 21,474,515 |
| Less accumulated depreciation and amortization | (9,943,520) | (9,464,085) |
| Total property and equipment, net | $ 11,822,112 | $ 12,010,430 |

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 represented 23% of the total cost when constructed. This grant has a 30-year Right of Recovery which will expire during fiscal year 2038. The State of Maryland can recover a proportional share of the property fair market value 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. The net book value at June 30, 2025 and 2024 of the applicable land and building totaled $7,310,764 and $7,561,513, respectively.

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. This grant represented 15% of the total cost when constructed. 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. The net book value at June 30, 2025 and 2024 of the applicable leasehold improvements totaled $3,639,912 and $3,750,700, respectively.

## Note 4 - Investments

Investments consist of the following at June 30, 2025 and 2024:

| | 2025 | 2024 |
|---|---|---|
| U.S. exchange-traded funds | $ 21,486,828 | $ 21,072,110 |
| International mutual funds and exchange-traded funds | 7,531,578 | 7,011,737 |
| Emerging markets and fixed income mutual funds | 17,400,995 | 16,483,435 |
| Alternative investment strategies | 7,257,493 | 7,145,903 |
| Cash, money market funds and accrued interest | 1,619,851 | 1,861,057 |
| State of Israel bonds (face value) | 360 | 1,000 |
| | 55,297,105 | 53,575,242 |
| Less short-term investments | (1,619,851) | (1,861,057) |
| Total investments | $ 53,677,254 | $ 51,714,185 |

Investment income consists of the following for the years ended June 30, 2025 and 2024:

| | 2025 | 2024 |
|---|---|---|
| Dividends and interest | $ 1,415,942 | $ 1,391,323 |
| Realized and unrealized gain on investments | 4,423,232 | 4,999,547 |
| Investment management fees and taxes | (103,567) | (89,671) |
| Total investment income | $ 5,735,607 | $ 6,301,199 |

Investments include endowments which had a fair value of $55,115,090 and $51,592,229, at June 30, 2025 and 2024, respectively. See Note 13 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, 2025 and 2024, 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, 2025 and 2024:

| | 2025 | 2024 |
|---|---|---|
| Receivable in less than one year | $ 436,698 | $ 166,667 |
| Receivable in one to five years | 1,160,000 | 191,667 |
| Allowance for doubtful accounts | (75,801) | (12,314) |
| Total pledges receivable | 1,520,897 | 346,020 |
| Less unamortized discount to net present value | (80,633) | (12,037) |
| Net pledges receivable | 1,440,264 | 333,983 |
| Less current portion, net | 414,865 | 163,334 |
| Long-term pledges receivable, net | $ 1,025,399 | $ 170,649 |

Pledges receivable due in excess of one year were discounted by $80,633 and $12,037, respectively, at June 30, 2025 and 2024, based on discount rates ranging from approximately 1.5 to 4.8 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 $135,816 and $126,571 to the plan for the years ended June 30, 2025 and 2024, 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 $68,099 and $75,368 for the years ended June 30, 2025 and 2024, respectively. Section 457 plan assets and the related liabilities for the plans as of June 30, 2025 and 2024 totaled $1,345,109 and $1,141,991, respectively, as shown on the consolidated statements of financial position.

## Note 8 - Beneficial interests in trusts

During 2007, upon her death, a donor established six charitable remainder unitrusts ("CRUTs), which named JSSA as a remainder beneficiary. The CRUTs provide for the payment of distributions to designated beneficiaries over the beneficiaries remaining lives of 5% per year of the fair market value of the assets contributed to the CRUT. Upon death of each beneficiary, the CRUT will terminate and JSSA will receive 1/6 of the remaining assets.

The portion of the CRUTs attributable to the present value of the future benefits to be received by JSSA is recorded in the consolidated statements of activities as a donor restricted contribution in the period JSSA was notified. During the year ended June 30, 2025, JSSA was notified that the first CRUT beneficiary passed away and received a contribution of approximately $490,000. JSSA recognized $1,542,247 as the value of the remaining CRUTs to be received.

A donor has established a perpetual trust that has named JSSA as one of the beneficiaries. Under the term of the agreement, JSSA will receive 50% of the income, annually generated from the investments held by the trust. The assets of the trust will be held in perpetuity in order to provide continued support to the named beneficiaries. JSSA has recorded an interest in this trust based on the fair market value of the investments held by the trust. During the year ended June 30, 2025, JSSA recorded $301,082 on the consolidated statements of financial position and as a contribution on the consolidated statement of activities and change in net assets.

## Note 9 - Commitments and contingencies

JSSA has a contract with its 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. In September 2025, JSSA entered into a new agreement with the CEO that extends his term through August 31, 2035.

## Note 10 - 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. Rent expense for the years ended June 30, 2025 and 2024, was $211,782 and $212,517, respectively, and is included in occupancy on the consolidated statements of functional expenses.

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

| | |
|---|---|
| 2026 | $ 238,432 |
| 2027 | 244,392 |
| 2028 | 62,366 |
| Subtotal | 545,190 |
| Less: imputed interest | (15,234) |
| Present value of net minimum lease payments | 529,956 |
| Less: current portion | 228,116 |
| Long-term lease portion | $ 301,840 |

Other lease information:

| | 2025 | 2024 |
|---|---|---|
| Cash paid for amounts included in the measurement of lease obligations | $ 232,616 | $ 226,942 |
| Weighted-average annual discount rate - operating lease | 2.42% | 2.42% |
| Weight-average remaining lease term (years) | 2.25 | 3.25 |

## Note 11 - Net assets with donor restrictions

Net assets with donor restrictions are available to support the following programs at June 30, 2025 and 2024:

| | 2025 | 2024 |
|---|---|---|
| Subject to expenditure for specified time and purpose | | |
| Children and families | $ 53,217 | $ 53,217 |
| Jewish education loan and scholarship program | 643,494 | 150,186 |
| Support for frail elders | 287,630 | 259,934 |
| Special needs (disabilities) | 121,777 | 18,256 |
| Building fund | 5,498 | 15,744 |
| Hospice | 176,036 | 104,830 |
| Mental Health Services | 1,072,049 | - |
| Mental Health - Camp Green Tree | 100,000 | - |
| Holocaust Survivor Program | 137,102 | - |
| Beneficial interest in charitable remainder unitrusts | 1,542,247 | - |
| Beneficial interest in perpetual trust | 301,082 | - |
| Corpus and expendable portion of the following endowments | | |
| Support for hospice clients | 6,259,308 | 5,925,227 |
| Provide for the needs of children and families | 16,700,590 | 15,214,255 |
| Provide for the transportation needs of clients | 986,001 | 927,915 |
| Adoption services | 65,545 | 62,185 |
| Building maintenance fund | 1,126,402 | 1,046,002 |
| Provide services to clients with disabilities | 1,811,396 | 1,841,941 |
| Educational testing and advocacy | 1,554,436 | 1,476,037 |
| Support for frail elders | 12,102,537 | 10,913,546 |
| Vocational support services | 622,835 | 591,080 |
| Hospice transition support | 271,437 | 257,282 |
| Volunteer services | 197,293 | 186,828 |
| Jewish community outreach | 660,263 | 625,465 |
| Overall needs | 303,453 | 289,405 |
| Educational scholarships | 2,839,359 | 2,683,356 |
| Total | $ 49,940,987 | $ 42,642,691 |

## Note 12 - Endowments

JSSA's endowments were established to support a variety of programs and consist of 14 donor-restricted endowment funds and a board-designated 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, 2025, funds with original gift values of $589,112, fair values of $564,983 and deficiencies of $24,129 were reported in net assets with donor restrictions. At June 30, 2024, funds with original gift values of $1,004,441, fair values of $852,273 and deficiencies of $152,168 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 years ended June 30, 2025 and 2024, 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, 2025 and 2024 are as follows:

| | June 30, 2025 | | |
|---|---|---|---|
| | Without donor restrictions | With donor restrictions | Total |
| Donor-restricted endowment funds | $ - | $ 45,500,855 | $ 45,500,855 |
| Board designated endowment funds | 9,614,235 | - | 9,614,235 |
| Total funds | $ 9,614,235 | $ 45,500,855 | $ 55,115,090 |

| | June 30, 2024 | | |
|---|---|---|---|
| | Without donor restrictions | With donor restrictions | Total |
| Donor-restricted endowment funds | $ - | $ 42,040,524 | $ 42,040,524 |
| Board designated endowment funds | 9,551,705 | - | 9,551,705 |
| Total funds | $ 9,551,705 | $ 42,040,524 | $ 51,592,229 |

Changes in endowment net assets for the years ended June 30, 2025 and 2024 are as follows:

| | Without donor restrictions | With donor restrictions | Total |
|---|---|---|---|
| Endowment net assets, July 1, 2023 | $ 10,164,411 | $ 37,959,929 | $ 48,124,340 |
| Contributions | 169,004 | 1,097,074 | 1,266,078 |
| Investment income | | | |
| Realized and unrealized gain on investments | 1,082,278 | 3,880,703 | 4,962,981 |
| Dividends and interest | 280,102 | 1,048,718 | 1,328,820 |
| Taxes and fees | (19,760) | (69,258) | (89,018) |
| Total investment income | 1,342,620 | 4,860,163 | 6,202,783 |
| Appropriation for expenditure | (2,124,330) | (1,876,642) | (4,000,972) |
| Endowment net assets, June 30, 2024 | 9,551,705 | 42,040,524 | 51,592,229 |
| Contributions | 622,818 | 984,901 | 1,607,719 |
| Investment income | | | |
| Realized and unrealized gain on investments | 822,074 | 3,533,877 | 4,355,951 |
| Dividends and interest | 253,442 | 1,095,864 | 1,349,306 |
| Taxes and fees | (18,747) | (80,342) | (99,089) |
| Total investment income | 1,056,769 | 4,549,399 | 5,606,168 |
| Appropriation for expenditure | (1,617,057) | (2,073,969) | (3,691,026) |
| Endowment net assets, June 30, 2025 | $ 9,614,235 | $ 45,500,855 | $ 55,115,090 |

## Note 13 - 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, 2025 | Total | 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. exchange-traded funds | $ 21,486,828 | $ - | $ 21,486,828 | $ - | $ - |
| International mutual funds and exchange-traded funds | 7,531,578 | - | 7,531,578 | - | - |
| Emerging markets and fixed income mutual funds | 17,400,995 | - | 17,400,995 | - | - |
| Alternative investment strategies | 7,257,493 | 7,257,493 | - | - | - |
| Cash, money market funds and accrued interest | 1,619,851 | - | 1,619,851 | - | - |
| Total investments | 55,296,745 | 7,257,493 | 48,039,252 | - | - |
| Section 457 plan assets | 1,345,109 | - | 1,345,109 | - | - |
| Beneficial interests in trusts | 1,843,329 | - | - | - | 1,843,329 |
| Total assets | $ 58,485,183 | $7,257,493 | $ 49,384,361 | $ - | $ 1,843,329 |

| June 30, 2024 | Total | 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. exchange-traded funds | $ 21,072,110 | $ - | $ 21,072,110 | $ - | $ - |
| International mutual funds and exchange-traded funds | 7,011,737 | - | 7,011,737 | - | - |
| Emerging markets and fixed income mutual funds | 16,483,435 | - | 16,483,435 | - | - |
| Alternative investment strategies | 7,145,903 | 7,145,903 | - | - | - |
| Cash, money market funds and accrued interest | 1,861,057 | - | 1,861,057 | - | - |
| Total investments | 53,574,242 | 7,145,903 | 46,428,339 | - | - |
| Section 457 plan assets | 1,141,991 | - | 1,141,991 | - | - |
| Total assets | $ 54,716,233 | $7,145,903 | $ 47,570,330 | $ - | $ - |

The following table sets forth the changes in the fair value of JSSA's Level 3 assets.

| | Charitable Remainder Unitrust | Perpetual Trust | Total Trusts |
|---|---|---|---|
| July 1, 2024 | $ - | $ - | $ - |
| Contribution of beneficial interest in trusts | 1,542,247 | 301,082 | 1,843,329 |
| June 30, 2025 | $ 1,542,247 | $ 301,082 | $ 1,843,329 |

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, 2025 and 2024.

Beneficial interests in trusts are valued using either (a) present value calculations of the fair value of the underlying assets using current IRS mortality rates for the charitable remainder unitrust or (b) the fair value of the underlying assets the trust is currently invested in for perpetual trusts (Level 3).

The following tables represent the Society's Level 3 financial instruments, the valuation techniques used to measure the fair value of those financial instruments, and the significant unobservable inputs and the ranges of values for those inputs as of June 30, 2025:

| Instrument | Fair value | Technique | Inputs | Values | Average |
|---|---|---|---|---|---|
| Charitable remainder unitrust | $ 1,542,247 | Present value of expected cash flows | Discount rate | 3.79% - 4.79% | N/A |
| Perpetual trust | $ 301,082 | Valuation of underlying assets provided by trustee | Base price | N/A | N/A |

## 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, 2025, $7,039,829 was the maximum available for borrowing. The line of credit is callable on demand. The line of credit has a variable Secured Overnight Financing Rate ("SOFR") based interest 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 $741,861 and $1,572,861 at June 30, 2025 and 2024, respectively. Interest expense was $79,208 and $167,490 for the years ended June 30, 2025 and 2024, respectively.

## Note 15 - Letter of credit

JSSA has a $184,150 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, 2026. The letter of credit is due on demand.

## Note 16 - 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 and occupancy 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, | |
|---|---|---|---|
| | | 2025 | 2024 |
| Legal fees | Management and general | $ 279,770 | $ 117,809 |
| Other direct costs | Aging in Place | 20,414 | 16,802 |
| Occupancy | Aging in Place | 47,000 | - |
| Occupancy | Family Support Services | 165,565 | - |
| | | $ 512,749 | $ 134,611 |

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.

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