

Jewish Family Service of MetroWest, Inc.

Financial Statements

Years Ended June 30, 2025 and 2024

Jewish Family Service of MetroWest, Inc.

Financial Statements

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Independent Auditor's Report

To the Board of Trustees
Jewish Family Service of MetroWest, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Jewish Family Service of Metro West, Inc. (the "Organization"), which comprise the statements of financial position as of June 30, 2025 and 2024, the related statements of activities, changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"), and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 3, 2026 on our consideration of Jewish Family Service of MetroWest, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jewish Family Service of MetroWest, Inc.'s internal control over financial reporting and compliance.



Parsippany, New Jersey
February 3, 2026

Jewish Family Service of MetroWest, Inc.

Statements of Financial Position

	June 30,	
	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 565,030	\$ 587,624
Contributions and grants receivable	231,223	186,412
Program fees receivable	437,621	266,301
Total current assets	1,233,874	1,040,337
PROPERTY PLANT AND EQUIPMENT, NET	514,662	507,138
OTHER ASSETS		
Net operating lease - Right-of-use ("ROU") asset	1,667,997	-
Restricted cash held in investments	57,315	55,502
Investments	8,327,190	8,184,605
Pension loan reserve	97,987	97,987
Due from related party	15,448	-
Other assets	235,883	304,274
Total other assets	10,401,820	8,642,368
TOTAL ASSETS	\$ 12,150,356	\$ 10,189,843
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 621,011	\$ 544,285
Mortgage payable, current portion	75,730	73,950
Pension loan payable, current portion	69,939	67,334
Due to related party	-	15,590
Deferred revenue	178,825	28,550
Operating lease obligation, current portion	134,772	-
Total current liabilities	1,080,277	729,709
LONG-TERM DEBT, LIABILITIES		
Mortgage payable, net of current portion	189,138	264,089
Pension loan payable, net of current portion	1,513,925	1,583,863
Postretirement medical plan obligation	254,386	263,397
Operating lease obligation, net of current portion	1,603,046	-
Total long-term liabilities	3,560,495	2,111,349
NET ASSETS		
Without donor restrictions	3,375,564	3,404,337
With donor restrictions	4,134,020	3,944,448
Total net assets	7,509,584	7,348,785
TOTAL LIABILITIES AND NET ASSETS	\$ 12,150,356	\$ 10,189,843

See accompanying Notes to Financial Statements.

Jewish Family Service of MetroWest, Inc.

Statements of Activities

	Years Ended June 30,					
	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES						
Contributions	\$ 1,352,171	\$ 933,804	\$ 2,285,975	\$ 1,014,153	\$ 1,115,752	\$ 2,129,905
Contributions from Jewish Federation of Greater MetroWest NJ annual allocation	386,000	99,000	485,000	223,750	261,250	485,000
Special events, net of direct benefit to donors of \$27,340 and \$22,065 in 2025 and 2024, respectively	437,481	-	437,481	551,053	-	551,053
Grants	742,194	-	742,194	651,139	-	651,139
Counseling and program fees	5,269,369	-	5,269,369	4,752,814	-	4,752,814
Interest and dividends, net of investment fees of \$51,187 and \$49,020 in 2025 and 2024, respectively	142,454	-	142,454	118,415	-	118,415
Employee Retention Credit ("ERC") revenue	-	-	-	355,544	-	355,544
	<u>8,329,669</u>	<u>1,032,804</u>	<u>9,362,473</u>	<u>7,666,868</u>	<u>1,377,002</u>	<u>9,043,870</u>
Net assets released from restrictions	1,435,821	(1,435,821)	-	1,927,951	(1,927,951)	-
Total support and revenues	<u>9,765,490</u>	<u>(403,017)</u>	<u>9,362,473</u>	<u>9,594,819</u>	<u>(550,949)</u>	<u>9,043,870</u>
FUNCTIONAL EXPENSES						
Program services						
Family and children services	1,921,257	-	1,921,257	1,808,174	-	1,808,174
Older adult services	5,203,132	-	5,203,132	4,964,528	-	4,964,528
Domestic violence	1,198,557	-	1,198,557	1,088,296	-	1,088,296
	<u>8,322,946</u>	<u>-</u>	<u>8,322,946</u>	<u>7,860,998</u>	<u>-</u>	<u>7,860,998</u>
Development and fundraising	394,186	-	394,186	368,977	-	368,977
Management and general	1,138,839	-	1,138,839	937,287	-	937,287
Total functional expenses	<u>9,855,971</u>	<u>-</u>	<u>9,855,971</u>	<u>9,167,262</u>	<u>-</u>	<u>9,167,262</u>
Change in net assets from operations	<u>(90,481)</u>	<u>(403,017)</u>	<u>(493,498)</u>	<u>427,557</u>	<u>(550,949)</u>	<u>(123,392)</u>
INVESTMENT INCOME						
Realized gains on investments	65,050	432,004	497,054	33,482	227,555	261,037
Unrealized gains on investments	22,558	160,585	183,143	58,474	400,391	458,865
	<u>87,608</u>	<u>592,589</u>	<u>680,197</u>	<u>91,956</u>	<u>627,946</u>	<u>719,902</u>
Changes in net assets before defined benefit/post retirement plan adjustment	(2,873)	189,572	186,699	519,513	76,997	596,510
Defined benefit/post retirement plan adjustment	(25,900)	-	(25,900)	(16,071)	-	(16,071)
Change in net assets	<u>\$ (28,773)</u>	<u>\$ 189,572</u>	<u>\$ 160,799</u>	<u>\$ 503,442</u>	<u>\$ 76,997</u>	<u>\$ 580,439</u>

See accompanying Notes to Financial Statements.

Jewish Family Service of MetroWest, Inc.

Statements of Changes in Net Assets

	Years Ended June 30,					
	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
NET ASSETS, <i>beginning of year</i>	\$ 3,404,337	\$ 3,944,448	\$ 7,348,785	\$ 2,900,895	\$ 3,867,451	\$ 6,768,346
Increase (decrease) in net assets	(28,773)	189,572	160,799	503,442	76,997	580,439
NET ASSETS, <i>end of year</i>	<u>\$ 3,375,564</u>	<u>\$ 4,134,020</u>	<u>\$ 7,509,584</u>	<u>\$ 3,404,337</u>	<u>\$ 3,944,448</u>	<u>\$ 7,348,785</u>

See accompanying Notes to Financial Statements.

Jewish Family Service of MetroWest, Inc.

Statement of Functional Expenses

Year Ended June 30, 2025

	Program Services			Total Program Services	Development and Fundraising	Management and General	Total
	Family and Children Services	Older Adult Services	Domestic Violence				
Salaries	\$ 1,449,950	\$ 1,117,816	\$ 920,947	\$ 3,488,713	\$ 256,307	\$ 246,692	\$ 3,991,712
Payroll taxes and employee benefits	378,816	261,696	198,076	838,588	75,858	45,547	959,993
Professional fees	-	5,753	-	5,753	-	90,121	95,874
Consultants	-	30	25	55	1,065	2,209	3,329
Program expenses	3,728	3,654,112	35,247	3,693,087	70,181	19,557	3,782,825
Office supplies and expenses	1,150	8,894	2,410	12,454	131	128,180	140,765
Marketing expenses	-	14,836	-	14,836	505	1,907	17,248
Staff expenses	15,009	14,032	1,629	30,670	252	8,645	39,567
Communication expenses	8,018	2,066	1,986	12,070	-	10,670	22,740
Transportation for clients	-	51,519	250	51,769	-	-	51,769
Equipment maintenance and IT expenses	45,036	27,599	20,865	93,500	4,055	166,267	263,822
Postage, printing and shipping expenses	210	1,988	2,166	4,364	11,471	9,110	24,945
Insurance	-	-	1,155	1,155	-	53,843	54,998
Occupancy	5,427	26,097	4,932	36,456	-	237,000	273,456
Depreciation	7,538	7,534	7,534	22,606	-	7,530	30,136
Licenses, dues and accreditation fees	3,845	350	971	5,166	-	12,927	18,093
Interest expense	-	-	-	-	-	74,823	74,823
Miscellaneous	2,530	8,810	364	11,704	1,701	23,811	37,216
Total expenses	1,921,257	5,203,132	1,198,557	8,322,946	421,526	1,138,839	9,883,311
Less direct benefit to donor	-	-	-	-	(27,340)	-	(27,340)
Total functional expenses	\$ 1,921,257	\$ 5,203,132	\$ 1,198,557	\$ 8,322,946	\$ 394,186	\$ 1,138,839	\$ 9,855,971

Jewish Family Service of MetroWest, Inc.

Statement of Functional Expenses

Year Ended June 30, 2024

	Program Services			Total Program Services	Development and Fundraising	Management and General	Total
	Family and Children Services	Older Adult Services	Domestic Violence				
Salaries	\$ 1,356,589	\$ 1,069,173	\$ 838,534	\$ 3,264,296	\$ 242,067	\$ 248,274	\$ 3,754,637
Payroll taxes and employee benefits	338,392	216,086	148,014	702,492	62,102	64,185	828,779
Professional fees	-	30	105	135	1,595	75,662	77,392
Program expenses	8,483	3,535,125	29,049	3,572,657	75,137	16,436	3,664,230
Office supplies and expenses	4,755	2,888	1,938	9,581	-	50,493	60,074
Marketing expenses	295	18,716	-	19,011	-	1,114	20,125
Staff expenses	9,372	10,336	654	20,362	84	15,835	36,281
Communication expenses	7,016	3,373	2,074	12,463	-	15,780	28,243
Transportation for clients	-	30,050	39	30,089	-	-	30,089
Equipment maintenance and IT expenses	35,723	28,624	24,301	88,648	828	122,154	211,630
Postage, printing and shipping expenses	10	2,413	2,911	5,334	7,325	5,801	18,460
Insurance	-	-	1,241	1,241	-	51,269	52,510
Occupancy	34,274	34,940	30,940	100,154	-	136,953	237,107
Depreciation	7,157	7,157	7,157	21,471	-	7,159	28,630
Licenses, dues and accreditation fees	1,089	-	300	1,389	-	12,363	13,752
Interest expense	-	-	-	-	-	80,016	80,016
Miscellaneous	5,019	5,617	1,039	11,675	1,904	33,793	47,372
Total expenses	1,808,174	4,964,528	1,088,296	7,860,998	391,042	937,287	9,189,327
Less direct benefit to donor	-	-	-	-	(22,065)	-	(22,065)
Total functional expenses	\$ 1,808,174	\$ 4,964,528	\$ 1,088,296	\$ 7,860,998	\$ 368,977	\$ 937,287	\$ 9,167,262

See accompanying Notes to Financial Statements.

Jewish Family Service of MetroWest, Inc.

Statement of Cash Flows

	Years Ended June 30,	
	2025	2024
CASH FLOWS PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
Change in net assets	\$ 160,799	\$ 580,439
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities		
Depreciation	30,136	28,630
Net operating lease - ROU asset amortization	132,868	-
Realized and unrealized gains on investments	(680,197)	(719,902)
Changes in operating assets and liabilities		
Contributions and grants receivable	(44,811)	(12,733)
Program fees receivable	(171,320)	(94,755)
Other assets	68,391	(71,458)
Due to related party	(31,038)	(6,626)
Accounts payable and accrued expenses	77,642	146,095
Postretirement medical plan obligation	(9,011)	(21,808)
Deferred revenue	150,275	(21,450)
Operating lease obligation reduction	(63,959)	-
Net cash used for operating activities	(380,225)	(193,568)
CASH FLOWS PROVIDED BY (USED FOR) INVESTING ACTIVITIES		
Purchases of investments	(456,565)	(410,729)
Proceeds from sale of investments	994,177	666,339
Purchases of fixed assets	(37,664)	-
Net cash provided by investing activities	499,948	255,610
CASH FLOWS PROVIDED BY (USED FOR) FINANCING ACTIVITIES		
Repayments of pension loan payable to related party	(67,333)	(64,656)
Repayments of mortgage principal to related party	(73,171)	(70,680)
Net cash used for financing activities	(140,504)	(135,336)
Net decrease in cash, cash equivalents and restricted cash	(20,781)	(73,294)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, beginning of year	643,126	716,420
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, end of year	\$ 622,345	\$ 643,126
Reconciliation of cash, cash equivalents, and restricted cash balances		
Cash and cash equivalents	\$ 565,030	\$ 587,624
Restricted cash	57,315	55,502
Total cash, cash equivalents, and restricted cash	\$ 622,345	\$ 643,126
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	\$ 74,823	\$ 80,016
Cash paid for taxes	\$ -	\$ -

See accompanying Notes to Financial Statements.

Jewish Family Service of MetroWest, Inc.

Notes to Financial Statements

Years Ended June 30, 2025 and 2024

Note 1 - Organization and Summary of Significant Accounting Policies

a. Nature of Agency

Jewish Family Service of MetroWest, Inc. ("JFS" or the "Organization") is a nonprofit agency organized under the laws of the State of New Jersey. JFS operates several outreach locations and provides specialized counseling and other program services to children, families, and the elderly. JFS also provides counseling services and financial support for families that suffer domestic violence.

Significant sources of revenue are received from grants and contributions, special events, and counseling and program fees.

b. Basis of Presentation

The accompanying financial statements have been prepared using the accrual basis of accounting, which is the process of recording revenue and expenses when earned or incurred.

The financial statements are presented in accordance with the provisions of the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") 958 - Presentation of Financial Statements of Not-For-Profit Entities. FASB ASC 958 requires the Organization to report information regarding its financial position and activities according to the following specific classes of net assets:

- *Net Assets without Donor Restrictions* - net assets that are not subject to donor-imposed stipulations. These net assets are further classified as:

Board-designated endowments - representing designated funds for debt service reserves, building reserves, and other long-term operation reserves. The above funds are maintained in "Investments" on the statements of financial position.

Board-designated net assets - representing restricted funds for capital expenditures, short-term operating reserves, real property purchases, and strategic initiatives. The above funds are maintained in "Investments" on the statements of financial position.

- *Net Assets with Donor Restrictions* - Net assets that are subject to donor-imposed stipulations that may or will be met either by actions of JFS and/or the passage of time. These assets are further discussed in Note 9.

c. Income Tax Status

JFS is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, JFS qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

JFS had no unrecognized tax benefits at June 30, 2025 or 2024. JFS has no open years subject to examination prior to June 30, 2022. Furthermore, there is no tax related interest or penalties reflected in the financial statements presented.

d. Operating Activities

JFS considers all revenues and expenses to be operating activities except for pension related changes and unrealized and realized gains and losses on investments.

Jewish Family Service of MetroWest, Inc.

Notes to Financial Statements

Years Ended June 30, 2025 and 2024

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

e. Revenue and Support

JFS derives its revenues and support primarily from grants and contributions, special events, and counseling and program fees. Under Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 606, revenue is recognized when performance obligations to a customer are satisfied, and revenue is earned. JFS applies the guidance under FASB ASC Topic 958 - *Non-Profit Entities* to recognize support received that is not subject to revenue recognition under ASC Topic 606.

Contributions and Grants - contributions that are received from a donor follow guidance under ASC 958 and are recognized as income at the time they are received unless the amount received is conditional. Unconditional contributions are recognized as revenue at the time received as an increase in net assets without donor restriction or as an increase in net assets with donor restriction. When a restriction expires, net assets with a donor restriction are reclassified to net assets without a donor restriction and reported in the statements of activities as net assets released from restrictions. If the restriction expires in the reporting period in which the support is recognized, then the contribution is recorded as an increase in net assets without donor restriction. When a contribution is conditional, the amount is deferred and not recognized as revenue until the conditions are satisfied.

Special Events - Fundraising revenue is comprised of payments received from third parties (individuals and corporations) to support and/or attend fundraising events. Fundraising revenue includes an exchange transaction component for the value of the goods or services received, which follows revenue recognition under ASC Topic 606. The amount paid by individuals and corporations that is above the value of goods or services received is considered a contribution. Revenue is recognized at a point in time at the time the fundraising event occurs.

Counseling and Program Fees - Fees for service are recognized in accordance with ASC Topic 606, whereas JFS has contracts with customers to provide approved services (performance obligations) to the individual. JFS recognizes revenue in the period in which obligations to provide services are satisfied. The contractual arrangements with consumers also involve a third-party payer (*e.g.*, Medicaid or federal or state government agency), and the transaction price for the services provided are dependent upon the terms provided by the third-party payer. As services are provided to consumers, JFS recognizes revenue, resulting in revenue recognized over time.

Historically, JFS has not needed to record an allowance for credit losses. Management reviewed accounts receivable for the year ended June 30, 2025 and 2024 and determined that no bad debt expense or allowance needed to be recorded in either year.

Disaggregation of Revenue - The following table provides information about disaggregated revenue from counseling and program fees for the years ended June 30, 2025 and 2024:

	Years Ended June 30,	
	2025	2024
Claims conference program	\$ 3,817,550	\$ 3,456,151
Other program fees	907,175	764,614
Counseling revenue	544,644	532,049
	<u>\$ 5,269,369</u>	<u>\$ 4,752,814</u>

Jewish Family Service of MetroWest, Inc.

Notes to Financial Statements

Years Ended June 30, 2025 and 2024

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

f. Functional Allocation of Expenses

The costs of providing program and supporting services have been summarized on a functional basis. Accordingly, expenses that cannot be directly assigned to a program, fundraising, or general and administrative expenses have been allocated to program services, fundraising, and general and administrative based on the percentage of each program's salaries to total salaries.

g. Cash and Cash Equivalents

For purposes of the statements of cash flows, JFS considers all highly liquid financial instruments purchased with a maturity of three months or less at the time of acquisition to be cash equivalents.

h. Property, Equipment, and Depreciation

Property and equipment are recorded at cost, except for donated items which are recorded at fair value on the date of the donation. When donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. Depreciation is provided over the estimated useful lives of the assets using the straight-line method. The Organization capitalizes all expenditures for property and equipment in excess of \$2,500.

The principal rates for computing depreciation by major asset categories are as follows:

Description	Years
Condominium building	37.5
Furniture and fixtures	7
Equipment	15

When an asset is sold or retired, the cost and accumulated depreciation are removed from the respective accounts. Maintenance and repairs are charged to operations as incurred.

i. Valuation of Long-Lived Assets

In accordance with the provisions of the accounting standard for the impairment or disposal of long-lived assets, JFS reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. Management has determined that no assessment was required for the periods presented in these financial statements.

j. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Jewish Family Service of MetroWest, Inc.

Notes to Financial Statements

Years Ended June 30, 2025 and 2024

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

k. Investments and investment income

Investments are recorded at fair value, which refers to the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Realized and unrealized gains and losses are reported in the statements of activities.

l. Fair Value Measurements

Accounting standards have established a fair value hierarchy giving the highest priority to quoted market prices in active markets and the lowest priority to unobservable data. The fair value hierarchy is categorized into three levels based on the inputs as follows:

- Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.
- Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.
- Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

m. Defined Benefit Pension and Other Post-Retirement Plans

The accounting standard for employers' accounting for defined benefit and other post-retirement plans requires that a plan sponsor recognize the funded status of its plan(s) in the statement of financial position. The funded status of a defined benefit pension plan is measured as the excess (deficit) of plan assets over (under) the plan's projected benefit obligation; the funded status of other post-retirement plans is measured as the excess (deficit) of plan assets over (under) a plan's accumulated benefit obligation. This standard also requires that the measurement of a plan's funded status be performed as of the plan sponsor's fiscal year end.

n. Leases

JFS determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) JFS obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. JFS also considers whether its service arrangements include the right to control the use of an asset.

The Organization recognizes most leases on its balance sheets as a right-of-use ("ROU") asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Leases are classified as either finance leases or operating leases based on certain criteria. Classification of the lease affects the pattern of expense recognition in the income statement.

Jewish Family Service of MetroWest, Inc.

Notes to Financial Statements

Years Ended June 30, 2025 and 2024

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

n. Leases - Continued

JFS made an accounting policy election available under Topic 842 not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease (or July 1, 2022, for existing leases upon the adoption of Topic 842). The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. To determine the present value of lease payments, JFS made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date (or remaining term for leases existing upon the adoption of Topic 842).

Future lease payments may include fixed rent escalation clauses or payments that depend on an index (such as the consumer price index), which is initially measured using the index or rate at lease commencement. Subsequent changes of an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. Residual value guarantees or payments for terminating the lease are included in the lease payments only when it is probable they will be incurred.

JFS has made an accounting policy election to account for lease and non-lease components in its contracts as a single lease component for its real estate asset classes. The non-lease components typically represent additional services transferred to JFS, such as common area maintenance for real estate, which are variable in nature and recorded in variable lease expense in the period incurred. The Organization signed two new lease agreements for new office locations. The terms of the lease, including rent payments, rent escalations, and expiration of lease, as well as other pertinent lease terms, have been agreed to.

o. Accounts Receivable and Allowance for Credit Losses

JFS accounts receivable are unsecured and non-interest bearing. Invoices are due upon receipt and are considered delinquent after 30 days. JFS applies payments of accounts receivable to invoices specified on the customer's remittance advice or, if unspecified, to the earliest unpaid invoices. Management records a valuation allowance to reduce the carrying value of accounts receivable for amounts it believes will not be collected. JFS have determined based on this review that no allowance for credit losses was necessary at June 30, 2025 or 2024.

The Organization applies ASC Topic 326 - Financial Instruments - Credit Losses. Financial assets, which potentially subject the Organization to credit losses, consist primarily of program fees receivable. Expected losses are recorded to an allowance account for credit losses valuation account that is net against the corresponding asset to present the net amount expected to be collected on the financial asset. The credit loss allowance is determined through analysis of the financial assets and assessments of risk that are based on historical trends and evaluation of the impact of current and projected economic conditions.

Based on the analysis performed on the open program fees receivable aging and detail analysis of the customers, the Organization did not record an allowance for credit losses as of June 30, 2025 or 2024.

Jewish Family Service of MetroWest, Inc.

Notes to Financial Statements

Years Ended June 30, 2025 and 2024

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

p. Subsequent Events

JFS has evaluated subsequent events occurring after the statement of financial position date through the date of February 3, 2026, which is the date the financial statements were available to be issued.

Note 2 - Investments

Investments in equity securities with readily determinable values and all investments in debt securities are measured at fair value in the statements of financial position. Donated investments are recorded at the fair value at the date of receipt. Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) is included in unrestricted net assets unless the income or loss is restricted by donor or law.

Investment fair values are summarized as follows:

	June 30, 2025		June 30, 2024	
	Cost	Fair Value	Cost	Fair Value
Managed investment pool (see Note 7)	\$ 4,229,077	\$ 4,692,756	\$ 4,178,816	\$ 4,677,373
Mutual funds	366,460	350,896	364,834	333,052
Corporate bonds	669,386	650,162	658,499	619,482
Common stocks	1,939,123	2,633,376	2,039,218	2,554,698
Total	<u>\$ 7,204,046</u>	<u>\$ 8,327,190</u>	<u>\$ 7,241,367</u>	<u>\$ 8,184,605</u>

Investment income consists of the following:

	Years Ended June 30,	
	2025	2024
Operating		
Interest and dividends	\$ 193,641	\$ 167,435
Less investment fees	(51,187)	(49,020)
	<u>\$ 142,454</u>	<u>\$ 118,415</u>
Non-operating		
Realized gains on investments	\$ 497,054	\$ 261,037
Unrealized gains on investments	183,143	458,865
	<u>\$ 680,197</u>	<u>\$ 719,902</u>

Jewish Family Service of MetroWest, Inc.

Notes to Financial Statements

Years Ended June 30, 2025 and 2024

Note 2 - Investments - Continued

Fair Value Measurements

Recurring Fair Value Measurements:

Pursuant to the accounting standard for fair value measurements, JFS has provided fair value disclosure information for relevant assets and liabilities in the financial statements. Fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, this pronouncement establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below:

- Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.
- Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.
- Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

In determining fair value, JFS utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as considers counterparty credit risk in its assessment of fair value.

The following is a description of the valuation methodologies used for instruments measured at fair value for investments:

Mutual Funds and Common Stocks

The fair value of common stocks is the market value based on quoted market prices or market prices provided by recognized broker dealers. Mutual funds and common stocks have been classified as Level 1.

Government Obligations and Corporate Bonds

The fair value of government obligations and corporate bonds is estimated using recently executed transactions for similar assets, market price quotations (where observable), or bond spreads. The spread data used is for the same maturity as the bond. If the spread data does not reference the issuer, then data that references a comparable issuer is used. When observable price quotations are not available, fair value is determined based on cash flow models with yield curves, interest rates, prepayment speeds, loss severities, credit risks, and default rates. Government obligations and corporate bonds have been classified as Level 2.

Jewish Family Service of MetroWest, Inc.

Notes to Financial Statements

Years Ended June 30, 2025 and 2024

Note 2 - Investments - Continued

The following table presents information about JFS's investments that are measured at fair value:

	June 30, 2025			
	Balance	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds	\$ 350,896	\$ 350,896	\$ -	\$ -
Corporate bonds	650,162	-	650,162	-
Common stocks	2,633,376	2,633,376	-	-
Totals	<u>\$ 3,634,434</u>	<u>\$ 2,984,272</u>	<u>\$ 650,162</u>	<u>\$ -</u>

The fair value of the investments held in a managed investment pool is estimated using the net asset values per unit of the pool.

Pooled investments

The fair value of units of pooled investments is primarily valued at net asset value per share based on quoted market prices of underlying investments, except as otherwise noted. The fair value of investments measured at net asset value is \$4,692,756 and \$4,677,373 as of June 30, 2025 and 2024, respectively.

- (a) In accordance with Subtopic 820-10, certain investments that were measured at net asset value per share (or its equivalent) 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 line items presented in the statements of financial position.

Fair Value of Investments in Entities that Use NAV

The following table summarizes investments measured at fair value based on net asset value per share as of June 30, 2025 and 2024, respectively.

	2025 Fair Value	2024 Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Pooled investments	\$ 4,692,756	\$ 4,677,373	N/A	25% per year	30 Days

Jewish Family Service of MetroWest, Inc.

Notes to Financial Statements

Years Ended June 30, 2025 and 2024

Note 2 - Investments - Continued

The following is a summary of activity for the years ended June 30, 2025 and 2024 for assets held in a managed investment pool that are recorded at NAV.

	June 30,	
	2025	2024
Pooled investments		
Balance, <i>beginning of year</i>	\$ 4,677,373	\$ 4,644,614
Income	75,317	75,099
Fees	(26,032)	(25,948)
Appropriations	(390,000)	(370,000)
Realized/unrealized gain (loss)	356,098	353,608
Balance, <i>end of year</i>	\$ 4,692,756	\$ 4,677,373

The managed investment pool is comprised of various types of equity and debt investments. As of June 30, 2025 and 2024, the investment composition of the managed investment pool was as follows:

	June 30,	
	2025	2024
Pooled investments		
Cash and cash equivalents	2.65 %	3.55 %
U.S. treasury obligations	5.59	5.73
Corporate and foreign bonds	4.79	4.99
Equities	7.97	11.95
Mutual funds	34.43	28.64
Limited partnerships	44.57	45.14
Total pooled investments	100.00 %	100.00 %

Note 3 - Endowment Funds

JFS's endowment consists of funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the board of trustees to function as endowments. Net assets associated with endowment funds, including funds designated by the board of trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

JFS has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds and additional contributions to those funds, absent explicit donor stipulations to the contrary. As permitted by donor-imposition, the remaining portion of the donor-restricted endowment fund remains classified in net assets with donor restriction until those amounts are appropriated for expenditure by JFS in a manner consistent with the standard of prudence prescribed by UPMIFA.

There are board-designated endowment funds of \$1,084,609 and \$1,054,259 as of June 30, 2025 and 2024, respectively, and endowment funds with donor restrictions of \$3,255,554 and \$3,215,192 as of June 30, 2025 and 2024, respectively.

Jewish Family Service of MetroWest, Inc.

Notes to Financial Statements

Years Ended June 30, 2025 and 2024

Note 3 - Endowment Funds - Continued

JFS 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 purposes of JFS 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 JFS
7. The investment policies of JFS

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

	Year Ended June 30, 2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, <i>beginning of year</i>	\$ 1,054,259	\$ 3,215,192	\$ 4,269,451
Investment return			
Investment income	13,429	40,571	54,000
Net appreciation (realized and unrealized)	87,608	265,016	352,624
Total investment return	101,037	305,587	406,624
Appropriation of endowment assets for expenditure	(70,687)	(265,225)	(335,912)
Endowment net assets, <i>end of year</i>	\$ 1,084,609	\$ 3,255,554	\$ 4,340,163
	Year Ended June 30, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, <i>beginning of year</i>	\$ 1,000,972	\$ 3,042,199	\$ 4,043,171
Investment return			
Investment income	12,675	38,686	51,361
Net appreciation (realized and unrealized)	91,956	280,977	372,933
Total investment return	104,631	319,663	424,294
Appropriation of endowment assets for expenditure	(51,344)	(146,670)	(198,014)
Endowment net assets, <i>end of year</i>	\$ 1,054,259	\$ 3,215,192	\$ 4,269,451

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires JFS to retain as a fund of perpetual duration. There were no deficiencies of this nature that are reported in unrestricted net assets as of June 30, 2025 and 2024.

Jewish Family Service of MetroWest, Inc.

Notes to Financial Statements

Years Ended June 30, 2025 and 2024

Note 3 - Endowment Funds - Continued

Spending Policy and How the Investment Objectives Relate to Spending Policy

JFS has an annual endowment spending policy that is specifically designed to assist in funding annual programming objectives and to preserve the value of the investment portfolio over time. Spending of the endowment should not exceed 5% of the portfolio. Any spending in excess of this amount is subject to board approval. Management determines annual spending of up to 5% of the portfolio. In establishing this policy, JFS considered the long-term expected returns on its endowments. Accordingly, over the long-term, JFS expects the current spending policy to allow its endowments to grow and maintain their value to support operations in the future. To meet these objectives, JFS utilizes a total return investment approach, which emphasizes total investment return, consisting of investment income and realized and unrealized gains or losses and, accordingly, invests in equities, fixed income and money market accounts, or managed funds consisting of such instruments.

Note 4 - Leases

JFS leases office space for its Florham Park, New Jersey office and rents one additional facility for program use under operating lease agreements with initial terms ranging from one to ten years. The leases include one or more renewal options, generally at the Organization's sole discretion, which may extend the lease term for up to an additional five years.

The leases also contain termination options, whereby the right to terminate may be held by the Organization, the lessor, or both parties. Options to extend or terminate a lease are included in the lease term when it is reasonably certain that the Organization will exercise such options.

The Organization's operating leases generally do not contain any material restrictive covenants or residual value guarantees. Operating lease costs are recognized on a straight-line basis over the lease term. The short-lease portion includes certain other occupancy-related expenses. The components of lease expenses for the year ended June 30, 2025 are as follows:

Income statement supplemental information:	<u>June 30, 2025</u>
Operating lease cost	\$ 174,466
Short-term lease cost	<u>34,779</u>
Total lease cost	<u>\$ 209,245</u>
Cash paid for amounts included in measurement of lease liabilities:	
Operating cash outflows - payments on operating leases	<u>\$ 105,558</u>
Right-of-use assets obtained in exchange for new lease obligations:	
Operating leases	<u>\$ 1,800,865</u>

Jewish Family Service of MetroWest, Inc.

Notes to Financial Statements

Years Ended June 30, 2025 and 2024

Note 4 - Leases- Continued

Balance sheet supplemental information:	June 30, 2025
Operating leases:	
Operating lease right-of-use assets	\$ 1,667,997
Operating lease liabilities, current	\$ 134,772
Operating lease liabilities, non-current	1,603,046
Total operating lease liabilities	\$ 1,737,818

Weighted average terms and discount rates:

Weighted-average remaining lease term:	
Operating leases	9.38 years

Weighted-average discount rate:	
Operating leases	4.32%

Future minimum lease payments under non-cancellable leases are as follows:

	Operating Leases
Future Lease Payments	
2026	\$ 171,811
2027	265,388
2028	271,804
2029	258,960
2030	167,749
Thereafter	1,012,376
Total lease payments	1,976,277
Less imputed interest	(238,459)
Total present value of lease liabilities	\$ 1,737,818

Jewish Family Service of MetroWest, Inc.

Notes to Financial Statements

Years Ended June 30, 2025 and 2024

Note 5 - Property and Equipment

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

	June 30,	
	2025	2024
Condominium land	\$ 283,812	\$ 283,812
Condominium building	878,647	869,592
Furniture and fixtures	431,160	402,555
Equipment	899,326	899,326
	<u>2,492,945</u>	<u>2,455,285</u>
Less accumulated depreciation	1,978,283	1,948,147
Property and equipment, net	<u>\$ 514,662</u>	<u>\$ 507,138</u>

Depreciation expense amounted to \$30,136 and \$28,630 for the years ended June 30, 2025 and 2024, respectively.

Note 6 - Line of Credit

JFS maintains a collateralized \$500,000 revolving line of credit with interest at the bank's prime rate plus 1% for the total 8.5%. The line of credit is payable on demand. There are no amounts outstanding under the line as of June 30, 2025 and 2024.

Jewish Family Service of MetroWest, Inc.

Notes to Financial Statements

Years Ended June 30, 2025 and 2024

Note 7 - Related Party Transactions

JFS receives an annual allocation from Jewish Federation of Greater MetroWest NJ (“JFEDGMW”) and participates in pension and other benefit plans administered by JFEDGMW. In addition, Jewish Community Foundation of Greater MetroWest N.J., Inc. (“JCF”), a separate 501(c)(3) organization, receives, invests, administers, and allocates funds for the benefit of JFEDGMW and its affiliated organizations, including JFS.

Related party transactions at June 30, and for the years then ended included the following:

	2025	
	Assets/ (Liabilities)	Revenues/ (Expenses)
Annual allocation from JFEDGMW and intercompany balance	\$ 15,448	\$ 485,000
Assets held by JCF and investment earnings	4,692,756	822,651
Pension loan due to and interest charged by JFEDGMW	(1,583,864)	(61,594)
Pension loan reserve held at JFEDGMW	97,987	-
Mortgage due to and interest charged by JFEDGMW	(264,868)	(13,229)

	2024	
	Assets/ (Liabilities)	Revenues/ (Expenses)
Annual allocation from JFEDGMW and intercompany balance	\$ -	\$ 485,000
Assets held by JCF and investment earnings	4,677,373	837,790
Pension loan due to and interest charged by JFEDGMW	(1,651,197)	(64,296)
Pension loan reserve held at JFEDGMW	97,987	-
Mortgage due to and interest charged by JFEDGMW	(338,039)	(15,720)

The mortgage is payable to JFEDGMW in monthly installments subject to adjustments on the last day of each year, at a rate of the Five-Year Treasury Constant Maturity plus 2% maturing in December 2028. In fiscal year 2018, the Federation Board of Trustees approved a reduction in interest rate effective January 1, 2018. The rate was reduced to the Five-Year Treasury Constant Maturity plus 0.25%. The mortgage is collateralized by a subordinated lien on the JFS facility in Florham Park, New Jersey.

Jewish Family Service of MetroWest, Inc.

Notes to Financial Statements

Years Ended June 30, 2025 and 2024

Note 7 - Related Party Transactions - Continued

Scheduled principal payments required with JFEDGMW are as follows:

For the year ending June 30,	
2026	\$ 75,730
2027	79,312
2028	109,826
	<u>\$ 264,868</u>

The pension loan payable is due to JFEDGMW and is payable in monthly installments. The loan is amortized over a term of 25 years. The interest rate is fixed at 3.75% for the first ten years and will subsequently reset in five-year increments at a rate equal to 8% over the applicable five-year U.S. Treasury rate at the time of each reset. The loan matures in October 2041. As the loan is currently in year nine, the applicable interest rate is 3.75%.

Scheduled principal payments required with pension loan payable to JFEDGMW are as follows:

For the year ending June 30,	
2026	\$ 69,939
2027	72,645
2028	75,309
2029	78,369
2030	81,401
Thereafter	1,206,201
	<u>\$ 1,583,864</u>

Note 8 - Benefit Plans

Post-Retirement Medical Plan

JFS also participates in a multi-employer post-retirement medical benefits plan (the "Medical Plan") which is also administered by JFEDGMW. The Medical Plan is unfunded and provides subsidized medical and pharmaceutical benefits for full-time employees and pro rata benefits for part-time employees who retired at age 55 having completed 20 years of service by December 31, 2006 or employees who have completed ten years of service and were age 62 before April 1, 2004 and who have retired as of December 31, 2006. The Medical Plan was terminated as of May 31, 2016, and does not take new participants. JFS obtained a loan to fund the unfunded obligations of the Medical Plan.

Jewish Family Service of MetroWest, Inc.

Notes to Financial Statements

Years Ended June 30, 2025 and 2024

Note 8 - Benefit Plans - Continued

The following table sets forth the Medical Plan's funded status at June 30, and its net periodic cost for the years then ended:

	2025	2024
Funded status		
Benefit obligation	\$ (254,386)	\$ (263,397)
Funded status - liability	\$ (254,386)	\$ (263,397)
Periodic cost		
Interest cost	\$ 12,404	\$ 13,043
Amortization of net loss	15,645	8,174
Net periodic benefit cost	\$ 28,049	\$ 21,217
Change in plan assets		
Plan assets at beginning of year		
Employer contributions	\$ 52,765	\$ 54,249
Plan participant contributions	24,624	25,287
Benefits paid	(77,389)	(79,536)
Plan assets at end of year	\$ -	\$ -
Change in benefit obligation		
Benefit obligation, <i>beginning of year</i>	\$ 263,397	\$ 285,205
Interest cost	12,404	13,043
Participants' contributions	24,624	25,287
Actuarial gains	31,350	19,398
Benefit payments	(77,389)	(79,536)
Benefit obligation, <i>end of year</i>	\$ 254,386	\$ 263,397
Weighted average assumptions as of June 30:		
	2025	2024
Weighted average discount rate	5.05%	5.30%
Health care cost trend rate	5.40%	6.75%

Jewish Family Service of MetroWest, Inc.

Notes to Financial Statements

Years Ended June 30, 2025 and 2024

Note 8 - Benefit Plans - Continued

The health care cost trend rate is 5.40% and 6.75% at June 30, 2025 and in 2024, respectively.

A 3% change in the assumed healthcare cost trend rate would have the following future effect:

	3% Point Decrease	3% Point Increase
Service and interest cost components of net periodic cost	\$ 584	\$ 746
Accumulated benefit obligation	\$ 13,125	\$ 14,082

The following table provides information related to expected benefit payments for each of the five years following the measurement date and cumulatively for the subsequent five-year period:

Fiscal years beginning July 1,	Amount
2026	\$ 49,800
2027	44,500
2028	39,400
2029	34,900
2030	30,500
From 2031 to 2035	103,000
Total	\$ 302,100

At June 30, 2025 and 2024, the current portion of the Medical Plan's accumulated benefit obligation is \$46,478 and \$35,651, respectively.

Other

JFS also participates in a JFEDGMW-sponsored pre-tax cafeteria payroll withholding plan for all full-time, part-time, and affiliated agency employees who work a minimum of 25 hours per week. These withholdings are allowed to cover health care expenses not covered under the medical plans, the employee's share of medical premiums, and dependent care expenses. All monies withheld and not utilized under the plan are forfeited.

JFS also participates in a JFEDGMW-sponsored 403(b) tax deferred annuity plan that permits employees to contribute on a deferred tax basis. JFS did not make any contributions to the plan during the current year.

Jewish Family Service of MetroWest, Inc.

Notes to Financial Statements

Years Ended June 30, 2025 and 2024

Note 9 - Net Assets Without and With Donor Restrictions

Net assets without donor restrictions consisted of the following as of June 30:

	<u>2025</u>	<u>2024</u>
Without donor restrictions		
Board-designated - endowment	\$ 1,084,609	\$ 1,054,259
Board-designated	57,315	55,502
Undesignated asset	2,233,640	2,294,576
Total without donor restrictions	<u>\$ 3,375,564</u>	<u>\$ 3,404,337</u>

Donor-restricted net assets are restricted for the following purposes or periods as of June 30:

	<u>2025</u>	<u>2024</u>
Donor-purpose restrictions		
Unappropriated endowment earnings	\$ 1,288,253	\$ 1,288,253
Family and children services	704,086	704,086
Play therapy program	100,000	100,000
Domestic violence community education	156,000	156,000
Domestic violence court advocate program	100,000	100,000
Counseling and case management	117,300	117,300
Older adults programs	408,318	257,445
Domestic violence	1,260,063	1,221,364
Total donor-restricted net assets	<u>\$ 4,134,020</u>	<u>\$ 3,944,448</u>

Donor-restricted net assets were released for the following purposes during the years ended June 30:

	<u>2025</u>	<u>2024</u>
Family and children	\$ -	\$ 574,125
Older adults programs	725,978	841,316
Domestic violence	709,843	512,510
Total donor-restricted net assets	<u>\$ 1,435,821</u>	<u>\$ 1,927,951</u>

Note 10 - Concentrations

Financial instruments that potentially subject JFS to concentrations of credit risk consist of cash, investments, and receivables. JFS's policy is to invest in high quality securities at a variety of financial institutions and pooled funds at JCF. Such investments are subject to market fluctuations. At various times throughout the year, JFS had cash balances in excess of the Federal Deposit Insurance Corporation insurance coverage.

Jewish Family Service of MetroWest, Inc.

Notes to Financial Statements

Years Ended June 30, 2024 and 2023

Note 10 - Concentrations - Continued

For the year ended June 30, 2025, one grantor organization accounted for approximately 42% of total operating support and revenues, and for the year ended June 30, 2024, the same grantor organization accounted for approximately 38% of total operating support and revenues. These funds are predominately used to pay vendors who provide supporting services for a specific JFS population. Less than 10% of these funds provide direct operating support to JFS's staff.

Note 11 - Other Assets

Included in other assets at June 30, 2025 and 2024 are cemetery plots, which have been donated to JFS. The carrying value of the plots, which were initially estimated at fair value of the plots at the time of receipt from a donor, was \$181,648.

JFS is the owner and beneficiary of several life insurance policies with a face value of \$275,000 that were donated to JFS. The cash surrender value of these policies, which has been included in other assets, was \$54,235 and \$53,563 at June 30, 2025 and 2024, respectively.

Note 12 - Liquidity

The following reflects JFS's financial assets at June 30, 2025 and 2024, reduced by amounts not available for general use due to donor-imposed restrictions and board designations (long-term operation reserves and restricted cash designations):

	June 30,	
	2025	2024
Financial assets, at end of year		
Cash and cash equivalents	\$ 565,030	\$ 587,624
Restricted cash held in investments	57,315	55,502
Investments	8,327,190	8,184,605
Contributions and grant receivable, net	231,223	186,412
Program fees receivable	437,621	266,301
	<u>9,618,379</u>	<u>9,280,444</u>
Less contractual restrictions, donor-imposed restrictions, and designated funds		
Board-designated funds	1,141,924	1,109,761
Donor-imposed restricted funds	4,134,020	3,944,448
	<u>5,275,944</u>	<u>5,054,209</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 4,342,435</u>	<u>\$ 4,226,235</u>

JFS is primarily supported by revenues from donations, grants, and investment income to satisfy operational requirements. To help manage unanticipated liquidity needs, JFS has access to board-designated funds and a \$500,000 available line of credit. Should additional financial distress occur, board-restricted endowments are available for general expenditure with board approval. In addition, management is currently working with donors to remove the imposed restrictions on several of these funds.

**Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in Accordance
with *Government Auditing Standards***

Independent Auditor's Report

To the Board of Trustees
Jewish Family Service of MetroWest, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Jewish Family Service of MetroWest, Inc. (“the Organization”), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated February 3, 2026.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Sax LLP

Parsippany, New Jersey
February 3, 2026

Jewish Family Service of MetroWest, Inc.

Summary Schedule of Findings and Responses

Years Ended June 30, 2025 and 2024

Current Year:

None