

**Jewish Family Service of MetroWest, Inc.**

Financial Statements

Years Ended June 30, 2024 and 2023

# Jewish Family Service of MetroWest, Inc.

## Financial Statements

Years Ended June 30, 2024 and 2023

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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, 2024 and 2023, 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, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"), and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*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 issued or 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*, for the years ended June 30, 2024 and 2023, we have also issued our report dated January 22, 2025 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  
January 22, 2025

# Jewish Family Service of MetroWest, Inc.

## Statements of Financial Position

	June 30,	
	2024	2023
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 587,624	\$ 645,620
Contributions and grants receivable	186,412	173,679
Program fees receivable	266,301	171,546
Total current assets	1,040,337	990,845
<b>PROPERTY PLANT AND EQUIPMENT, NET</b>	507,138	535,768
<b>OTHER ASSETS</b>		
Restricted cash held in investments	55,502	70,800
Investments	8,184,605	7,720,313
Pension loan reserve	97,987	97,987
Other assets	304,274	232,816
Total other assets	8,642,368	8,121,916
<b>TOTAL ASSETS</b>	<b>\$ 10,189,843</b>	<b>\$ 9,648,529</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 544,285	\$ 398,190
Mortgage payable, current portion	73,950	80,838
Pension loan payable, current portion	67,334	64,656
Due to related party	15,590	22,216
Deferred revenue	28,550	50,000
Total current liabilities	729,709	615,900
<b>LONG-TERM DEBT, LIABILITIES</b>		
Mortgage payable, net of current portion	264,089	327,881
Pension loan payable, net of current portion	1,583,863	1,651,197
Postretirement medical plan obligation	263,397	285,205
Total long-term liabilities	2,111,349	2,264,283
<b>NET ASSETS</b>		
Without donor restrictions	3,404,337	2,900,895
With donor restrictions	3,944,448	3,867,451
Total net assets	7,348,785	6,768,346
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 10,189,843</b>	<b>\$ 9,648,529</b>

See accompanying Notes to Financial Statements.

**Jewish Family Service of MetroWest, Inc.**

Statements of Activities

	Years Ended June 30,					
	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUES</b>						
Contributions	\$ 1,014,153	\$ 1,115,752	\$ 2,129,905	\$ 964,513	\$ 938,110	\$ 1,902,623
Contributions from Jewish Federation of Greater MetroWest NJ annual allocation	223,750	261,250	485,000	73,750	411,250	485,000
Special events, net of direct benefit to donors of \$22,065 and \$39,703 in 2024 and 2023, respectively	551,053	-	551,053	313,875	-	313,875
Grants	651,139	-	651,139	646,587	-	646,587
Counseling and program fees	4,752,814	-	4,752,814	4,291,404	-	4,291,404
Investment income, net of investment fees of \$49,020 and \$47,003 in 2024 and 2023, respectively	118,415	-	118,415	95,734	-	95,734
Employee Retention Credit (ERC) revenue	355,544	-	355,544	-	-	-
Other revenues	-	-	-	8,817	-	8,817
	<u>7,666,868</u>	<u>1,377,002</u>	<u>9,043,870</u>	<u>6,394,680</u>	<u>1,349,360</u>	<u>7,744,040</u>
Net assets released from restrictions	1,927,951	(1,927,951)	-	2,104,783	(2,104,783)	-
Total support and revenues	<u>9,594,819</u>	<u>(550,949)</u>	<u>9,043,870</u>	<u>8,499,463</u>	<u>(755,423)</u>	<u>7,744,040</u>
<b>FUNCTIONAL EXPENSES</b>						
Program services						
Family and children services	1,808,174	-	1,808,174	1,455,518	-	1,455,518
Older adult services	4,964,528	-	4,964,528	4,708,359	-	4,708,359
Domestic violence	1,088,296	-	1,088,296	969,923	-	969,923
	<u>7,860,998</u>	<u>-</u>	<u>7,860,998</u>	<u>7,133,800</u>	<u>-</u>	<u>7,133,800</u>
Development and fundraising	368,977	-	368,977	284,716	-	284,716
Management and general	937,287	-	937,287	827,277	-	827,277
Total functional expenses	<u>9,167,262</u>	<u>-</u>	<u>9,167,262</u>	<u>8,245,793</u>	<u>-</u>	<u>8,245,793</u>
<b>Change in net assets from operations</b>	<b>427,557</b>	<b>(550,949)</b>	<b>(123,392)</b>	<b>253,670</b>	<b>(755,423)</b>	<b>(501,753)</b>
<b>INVESTMENT INCOME</b>						
Realized gains on investments	33,482	227,555	261,037	11,752	92,360	104,112
Unrealized gains on investments	58,474	400,391	458,865	66,518	508,072	574,590
	<u>91,956</u>	<u>627,946</u>	<u>719,902</u>	<u>78,270</u>	<u>600,432</u>	<u>678,702</u>
Changes in net assets before defined benefit/post retirement plan adjustment	519,513	76,997	596,510	331,940	(154,991)	176,949
Defined benefit/post retirement plan adjustment	(16,071)	-	(16,071)	(10,103)	-	(10,103)
<b>Change in net assets</b>	<b>\$ 503,442</b>	<b>\$ 76,997</b>	<b>\$ 580,439</b>	<b>\$ 321,837</b>	<b>\$ (154,991)</b>	<b>\$ 166,846</b>

## Jewish Family Service of MetroWest, Inc.

### Statements of Changes in Net Assets

	Years Ended June 30,					
	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>NET ASSETS, <i>beginning of year</i></b>	\$ 2,900,895	\$ 3,867,451	\$ 6,768,346	\$ 2,579,058	\$ 4,022,442	\$ 6,601,500
Increase (decrease) in net assets	503,442	76,997	580,439	321,837	(154,991)	166,846
<b>NET ASSETS, <i>end of year</i></b>	<b><u>\$ 3,404,337</u></b>	<b><u>\$ 3,944,448</u></b>	<b><u>\$ 7,348,785</u></b>	<b><u>\$ 2,900,895</u></b>	<b><u>\$ 3,867,451</u></b>	<b><u>\$ 6,768,346</u></b>

See accompanying Notes to Financial Statements.

**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
Direct assistance to clients/program expense	8,483	3,535,125	29,049	3,572,657	75,137	16,436	3,664,230
Office expense	4,755	2,888	1,938	9,581	-	50,493	60,074
Publicity and promotion	295	18,716	-	19,011	-	1,114	20,125
Conference and travel expense	9,372	10,336	654	20,362	84	15,835	36,281
Communications expenses	7,016	3,373	2,074	12,463	-	15,780	28,243
Transportation fees	-	30,050	39	30,089	-	-	30,089
Equipment rental and maintenance expenses	35,723	28,624	24,301	88,648	828	122,154	211,630
Printing and shipping expenses	10	2,413	2,911	5,334	7,325	5,801	18,460
Insurance expenses	-	-	1,241	1,241	-	51,269	52,510
Occupancy fees	34,274	34,940	30,940	100,154	-	136,953	237,107
Depreciation expenses	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
<b>Total expenses</b>	<b>1,808,174</b>	<b>4,964,528</b>	<b>1,088,296</b>	<b>7,860,998</b>	<b>391,042</b>	<b>937,287</b>	<b>9,189,327</b>
Less direct benefit to donor	-	-	-	-	(22,065)	-	(22,065)
<b>Total functional expenses</b>	<b>\$ 1,808,174</b>	<b>\$ 4,964,528</b>	<b>\$ 1,088,296</b>	<b>\$ 7,860,998</b>	<b>\$ 368,977</b>	<b>\$ 937,287</b>	<b>\$ 9,167,262</b>

See accompanying Notes to Financial Statements.



**Jewish Family Service of MetroWest, Inc.**

Statement of Functional Expenses

Year Ended June 30, 2023

	Program Services			Total Program Services	Development and Fundraising	Management and General	Total
	Family and Children Services	Older Adult Services	Domestic Violence				
Salaries	\$ 1,134,692	\$ 1,012,450	\$ 770,758	\$ 2,917,900	\$ 218,022	\$ 215,267	\$ 3,351,189
Payroll taxes and employee benefits	220,735	156,793	115,555	493,083	49,486	51,049	593,618
Professional fees	2,650	2,650	2,715	8,015	1,180	70,171	79,366
Direct assistance to clients/program expense	9,628	3,421,984	33,697	3,465,309	42,272	5,047	3,512,628
Office expense	9,293	10,103	2,094	21,490	631	39,477	61,598
Publicity and promotion	364	11,853	-	12,217	-	100	12,317
Conference and travel expense	7,256	9,912	1,867	19,035	6	8,895	27,936
Communications expenses	6,508	2,353	1,548	10,409	-	19,240	29,649
Transportation fees	-	33,482	228	33,710	-	-	33,710
Equipment rental and maintenance expenses	18,539	13,556	1,802	33,897	62	137,772	171,731
Printing and shipping expenses	118	1,855	169	2,142	10,870	7,195	20,207
Insurance expenses	-	-	1,271	1,271	-	53,924	55,195
Occupancy fees	30,789	11,035	26,249	68,073	1,000	97,043	166,116
Depreciation expenses	10,929	10,929	10,929	32,787	-	10,931	43,718
Licenses, dues, and accreditation fees	3,511	350	750	4,611	-	13,371	17,982
Interest expense	-	-	-	-	-	79,203	79,203
Miscellaneous	506	9,054	291	9,851	890	18,592	29,333
<b>Total expenses</b>	<b>1,455,518</b>	<b>4,708,359</b>	<b>969,923</b>	<b>7,133,800</b>	<b>324,419</b>	<b>827,277</b>	<b>8,285,496</b>
Less direct benefit to donor	-	-	-	-	(39,703)	-	(39,703)
<b>Total functional expenses</b>	<b>\$ 1,455,518</b>	<b>\$ 4,708,359</b>	<b>\$ 969,923</b>	<b>\$ 7,133,800</b>	<b>\$ 284,716</b>	<b>\$ 827,277</b>	<b>\$ 8,245,793</b>

See accompanying Notes to Financial Statements.

# Jewish Family Service of MetroWest, Inc.

## Statements of Cash Flows

	Years Ended June 30,	
	2024	2023
<b>CASH FLOWS PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>		
Change in net assets	\$ 580,439	\$ 166,846
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities		
Depreciation	28,630	43,718
Realized and unrealized gains on investments	(719,902)	(678,702)
Changes in operating assets and liabilities		
Contributions and grants receivable	(12,733)	42,691
Program fees receivable	(94,755)	14,104
Other assets	(71,458)	(2,210)
Due (to) from related party	(6,626)	30,280
Accounts payable and accrued expenses	146,095	139,045
Postretirement medical plan obligation	(21,808)	(33,117)
Deferred revenue	(21,450)	50,000
Net cash flow used for operating activities	<b>(193,568)</b>	<b>(227,345)</b>
<b>CASH FLOWS PROVIDED BY (USED FOR) INVESTING ACTIVITIES</b>		
Purchases of investments	(410,729)	(651,294)
Proceeds from sale of investments	666,339	890,694
Net cash flow provided for investing activities	<b>255,610</b>	<b>239,400</b>
<b>CASH FLOWS PROVIDED BY (USED FOR) FINANCING ACTIVITIES</b>		
Repayments of pension loan payable to related party	(64,656)	(62,417)
Repayments of mortgage principal to related party	(70,680)	(73,749)
Net cash flow used for financing activities	<b>(135,336)</b>	<b>(136,166)</b>
 <b>Net decrease in cash and cash equivalents</b>	 <b>(73,294)</b>	 <b>(124,111)</b>
 <b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, beginning of year</b>	 716,420	 840,531
 <b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, end of year</b>	 <b>\$ 643,126</b>	 <b>\$ 716,420</b>
 Reconciliation of cash, cash equivalents, and restricted cash balances		
Cash and cash equivalents	\$ 587,624	\$ 645,620
Restricted cash	55,502	70,800
Total cash, cash equivalents, and restricted cash	<b>\$ 643,126</b>	<b>\$ 716,420</b>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid for interest	<b>\$ 80,016</b>	<b>\$ 79,203</b>

See accompanying Notes to Financial Statements.

# Jewish Family Service of MetroWest, Inc.

## Notes to Financial Statements

Years Ended June 30, 2024 and 2023

### 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

- *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 8.

#### 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, 2024 or 2023. JFS has no open years subject to examination prior to June 30, 2021. 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.

#### 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 applied 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.

# Jewish Family Service of MetroWest, Inc.

## Notes to Financial Statements

Years Ended June 30, 2024 and 2023

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

#### *e. Revenue and Support - Continued*

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 doubtful accounts. Management reviewed accounts receivable for the year ended June 30, 2024 and 2023 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 by revenue stream and timing of revenue recognition for the years ended June 30, 2024 and 2023:

Revenue by revenue stream is as follows:

	Years Ended June 30,	
	2024	2023
Claims conference program	\$ 3,456,151	\$ 3,111,681
Other program fees	764,614	664,614
Counseling revenue	532,049	515,109
	<u>\$ 4,752,814</u>	<u>\$ 4,291,404</u>

# Jewish Family Service of MetroWest, Inc.

## Notes to Financial Statements

Years Ended June 30, 2024 and 2023

### 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 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, 2024 and 2023

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

#### *k. 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.

#### *l. Leases*

The Company adopted ASC Topic 842, *Leases*, for fiscal years beginning after December 15, 2021 and interim periods in fiscal years beginning after December 31, 2022, using the optional transition method to the modified retrospective approach, which eliminates the requirement to restate the prior-period financial statements. Under this transition provision, the Company has applied Topic 842 to annual reporting periods beginning on January 1, 2022 and interim reporting periods beginning January 1, 2023, while prior periods continue to be reported and disclosed in accordance with the Company's historical accounting treatment under ASC Topic 840, *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.

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.

# Jewish Family Service of MetroWest, Inc.

## Notes to Financial Statements

Years Ended June 30, 2024 and 2023

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

#### *m. Recently Adopted Pronouncements - Allowance for Credit Losses*

On July 1, 2023, the Organization adopted ASU 2016-13, *Financial Instruments - Credit Losses* ("Topic 326"). Financial assets, which potentially subject the Organization to credit losses, consist primarily of accounts receivable. Expected losses are recorded to an allowance 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.

The impact of the adoption was not considered material to the financial statements and primarily resulted in new/enhanced disclosures only.

#### *n. Subsequent Events*

JFS has evaluated subsequent events occurring after the statement of financial position date through the date of January 22, 2025, 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, 2024		June 30, 2023	
	Cost	Fair Value	Cost	Fair Value
Managed investment pool (see Note 6)	\$ 4,178,816	\$ 4,677,373	\$ 4,317,711	\$ 4,644,614
Mutual funds	364,834	333,052	296,606	258,193
Corporate bonds	658,499	619,482	594,331	543,502
Common stocks	2,039,218	2,554,698	2,032,885	2,274,004
Total	<u>\$ 7,241,367</u>	<u>\$ 8,184,605</u>	<u>\$ 7,241,533</u>	<u>\$ 7,720,313</u>

# Jewish Family Service of MetroWest, Inc.

## Notes to Financial Statements

Years Ended June 30, 2024 and 2023

### Note 2 - Investments - Continued

Investment income consists of the following:

	Years Ended June 30,	
	2024	2023
Operating		
Investment income	\$ 167,435	\$ 142,737
Less investment fees	(49,020)	(47,003)
	<u>\$ 118,415</u>	<u>\$ 95,734</u>
Non-operating		
Realized gains on investments	\$ 261,037	\$ 104,112
Unrealized gains on investments	458,865	574,590
	<u>\$ 719,902</u>	<u>\$ 678,702</u>

#### 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.



# Jewish Family Service of MetroWest, Inc.

## Notes to Financial Statements

Years Ended June 30, 2024 and 2023

### Note 2 - Investments - Continued

#### 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.

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

	June 30, 2024			
	Balance	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds	\$ 333,052	\$ 333,052	\$ -	\$ -
Corporate bonds	619,482	-	619,482	-
Common stocks	2,554,698	2,554,698	-	-
Totals	<u>\$ 3,507,232</u>	<u>\$ 2,887,750</u>	<u>\$ 619,482</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 \$4,677,373 and \$4,644,614 as of June 30, 2024 and 2023, 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, 2024 and 2023, respectively.

	2024 Fair Value	2023 Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Pooled investments	\$ 4,677,373	\$ 4,644,614	N/A	25% per year	30 Days

# Jewish Family Service of MetroWest, Inc.

## Notes to Financial Statements

Years Ended June 30, 2024 and 2023

### Note 2 - Investments - Continued

The following is a summary of activity for the years ended June 30, 2024 and 2023 for assets held in a managed investment pool that are measured at fair value based upon unobservable inputs.

	June 30,	
	2024	2023
Pooled investments		
Balance, <i>beginning of year</i>	\$ 4,644,614	\$ 4,590,573
Income	75,099	61,668
Fees	(25,948)	(25,884)
Appropriations	(370,000)	(335,000)
Realized/unrealized gain (loss)	353,608	353,257
Balance, <i>end of year</i>	\$ 4,677,373	\$ 4,644,614

The managed investment pool is comprised of various types of equity and debt investments. As of June 30, 2024 and 2023, the investment composition of the managed investment pool was as follows:

	June 30,	
	2024	2023
Pooled investments		
Cash and cash equivalents	3.55 %	1.94 %
U.S. treasury obligations	5.73	6.36
Corporate and foreign bonds	4.99	4.06
Equities	11.95	11.68
Mutual funds	28.64	31.02
Limited partnerships	45.14	44.94
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 \$1,054,259 and \$1,000,972 as of June 30, 2024 and 2023, respectively, and endowment funds with donor restrictions of \$3,215,192 and \$3,042,199 as of June 30, 2024 and 2023, respectively.

# Jewish Family Service of MetroWest, Inc.

## Notes to Financial Statements

Years Ended June 30, 2024 and 2023

### 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

The investment policies of JFS

Changes in endowment net assets for the years ended June 30, 2024 and 2023 are as follows:

	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
	Year Ended June 30, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, <i>beginning of year</i>	\$ 942,519	\$ 2,879,462	\$ 3,821,981
Investment return			
Investment income	10,002	28,445	38,447
Net appreciation (realized and unrealized)	78,270	277,251	355,521
Total investment return	88,272	305,696	393,968
Appropriation of endowment assets for expenditure	(29,819)	(142,959)	(172,778)
Endowment net assets, <i>end of year</i>	\$ 1,000,972	\$ 3,042,199	\$ 4,043,171

#### 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 NJUPMIFA 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, 2024 and 2023.

# Jewish Family Service of MetroWest, Inc.

## Notes to Financial Statements

Years Ended June 30, 2024 and 2023

### 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 - Property and Equipment

Property and equipment at June 30, 2024 and 2023 consisted of the following:

	June 30,	
	2024	2023
Condominium land	\$ 283,812	\$ 283,812
Condominium building	869,592	869,592
Furniture and fixtures	402,555	402,555
Equipment	899,326	899,326
	<u>2,455,285</u>	<u>2,455,285</u>
Less accumulated depreciation	1,948,147	1,919,517
Property and equipment, net	<u>\$ 507,138</u>	<u>\$ 535,768</u>

Depreciation expense amounted to \$28,630 and \$43,718 for the years ended June 30, 2024 and 2023, respectively.

### Note 5 - Line of Credit

JFS maintains a collateralized \$200,000 revolving line of credit with interest at the bank's prime rate plus 0.5%. The line of credit is payable on demand. There are no amounts outstanding under the line as of June 30, 2024 and 2023.

### Note 6 - 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.

# Jewish Family Service of MetroWest, Inc.

## Notes to Financial Statements

Years Ended June 30, 2024 and 2023

### Note 6 - Related Party Transactions - Continued

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

	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)
	2023	
	Assets/ (Liabilities)	Revenues/ (Expenses)
Annual allocation from JFEDGMW and intercompany balance	\$ (22,216)	\$ 485,000
Assets held by JCF and investment earnings	\$ 4,644,614	\$ 773,909
Pension loan due to and interest charged by JFEDGMW	\$ (1,715,853)	\$ (66,535)
Pension loan reserve held at JFEDGMW	\$ 97,987	\$ -
Mortgage due to and interest charged by JFEDGMW	\$ (408,719)	\$ (12,650)

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.

Scheduled principal payments required with JFEDGMW are as follows:

2025	\$ 73,950
2026	77,032
2027	80,243
2028	106,814
	\$ 338,039

The pension loan payable is payable to JFEDGMW in monthly installments. The pension loan payable will be amortized over a term of 25 years. The interest rate will be fixed at 3.75% for the first ten years and subsequently reset in five-year increments at 8% over the matching five-year Treasury bill rate at the time.

# Jewish Family Service of MetroWest, Inc.

## Notes to Financial Statements

Years Ended June 30, 2024 and 2023

### Note 6 - Related Party Transactions - Continued

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

2025	\$ 67,334
2026	69,939
2027	72,645
2028	75,309
2029	78,369
Thereafter	<u>1,287,601</u>
	<u>\$ 1,651,197</u>

### Note 7 - 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, 2024 and 2023

### Note 7 - 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:

	2024	2023
Funded status		
Benefit obligation	\$ (263,397)	\$ (285,205)
Funded status - liability	\$ (263,397)	\$ (285,205)
Periodic cost		
Interest cost	\$ 13,043	\$ 12,463
Amortization of net loss	8,174	4,486
Net periodic benefit cost	\$ 21,217	\$ 16,949
Change in plan assets		
Plan assets at beginning of year		
Employer contributions	\$ 54,249	\$ 57,205
Plan participant contributions	25,287	26,640
Benefits paid	(79,536)	(83,845)
Plan assets at end of year	\$ -	\$ -
Change in benefit obligation		
Benefit obligation, <i>beginning of year</i>	\$ 285,205	\$ 318,322
Interest cost	13,043	12,463
Participants' contributions	25,287	26,640
Actuarial gains	19,398	11,625
Benefit payments	(79,536)	(83,845)
Benefit obligation, <i>end of year</i>	\$ 263,397	\$ 285,205
Weighted average assumptions as of June 30:		
	2024	2023
Weighted average discount rate	5.10%	5.10%
Health care cost trend rate	6.80%	6.80%

# Jewish Family Service of MetroWest, Inc.

## Notes to Financial Statements

Years Ended June 30, 2024 and 2023

### Note 7 - Benefit Plans - Continued

The health care cost trend rate of 6.80% at June 30, 2024 and in 2023.

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

	3% Point Increase	4% Point Increase
Service and interest cost components of net periodic cost	\$ 746	\$ 808
Accumulated benefit obligation	\$ 14,082	\$ 15,840

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
2024	\$ 53,100
2025	\$ 47,800
2026	\$ 42,800
2027	\$ 38,100
2028	\$ 33,700
From 2029 to 2033	\$ 116,900

At June 30, 2024 and 2023, the current portion of the Medical Plan's accumulated benefit obligation is \$35,651 and \$27,052, 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.



# Jewish Family Service of MetroWest, Inc.

## Notes to Financial Statements

Years Ended June 30, 2024 and 2023

### Note 8 - Net Assets Without and With Donor Restrictions

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

	2024	2023
Without donor restrictions		
Board-designated - endowment	\$ 1,054,259	\$ 1,000,972
Board-designated	55,502	70,800
Undesignated asset	2,294,576	1,829,123
Total without donor restrictions	\$ 3,404,337	\$ 2,900,895

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

	2024	2023
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
Family and children	-	40,764
Older adults programs	257,445	57,584
Domestic violence	1,221,364	1,303,464
Total donor-restricted net assets	\$ 3,944,448	\$ 3,867,451

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

	2024	2023
Family and children	\$ 574,125	\$ 564,251
Older adults programs	841,316	1,007,759
Domestic violence	512,510	532,773
Total donor-restricted net assets	\$ 1,927,951	\$ 2,104,783

### Note 9 - 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 9 - Concentrations - Continued

For the year ended June 30, 2024, one grantor organization accounted for approximately 38% of total operating support and revenues, and for the year ended June 30, 2023, the same grantor organization accounted for approximately 40% 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 10 - Other Assets

Included in other assets at June 30, 2024 and 2023 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 it. The cash surrender value of these policies, which has been included in other assets, was \$53,565 and \$51,168 at June 30, 2024 and 2023, respectively.

### Note 11 - Liquidity

The following reflects JFS's financial assets at June 30, 2024 and 2023, 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,	
	2024	15-Jul-05
Financial assets, at end of year		
Cash and cash equivalents	\$ 587,624	\$ 645,620
Restricted cash held in investments	55,502	70,800
Investments	8,184,605	7,720,313
Contributions and grant receivable, net	186,412	173,679
Program fees receivable, net	266,301	171,546
	<u>9,280,444</u>	<u>8,781,958</u>
Less contractual restrictions, donor-imposed restrictions, and designated funds		
Board-designated funds	1,109,761	1,071,772
Donor-imposed restricted funds	3,944,448	3,867,451
	<u>5,054,209</u>	<u>4,939,223</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 4,226,235</u>	<u>\$ 3,842,735</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 \$200,000 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, 2024 and 2023, 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 January 22, 2025.

**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  
January 22, 2025

# **Jewish Family Service of MetroWest, Inc.**

## Summary Schedule of Findings and Responses

Years Ended June 30, 2024 and 2023

Current Year:

None

Prior Year:

None