

**Jewish Association for Services for the Aged
and Affiliate**

**Combined Financial Statements
and Independent Auditor's Report**

June 30, 2024 and 2023

Jewish Association for Services for the Aged and Affiliate

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Independent Auditor's Report

Board of Trustees
Jewish Association for Services for the Aged and Affiliate

Opinion

We have audited the combined financial statements of Jewish Association for Services for the Aged and Affiliate (the "Organization"), which comprise the combined statements of financial position as of June 30, 2024 and 2023, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the combined 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"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Combined 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 Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined 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 combined 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 combined 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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combining statement of financial position and combining statement of activities are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated in all material respects in relation to the combined financial statements as a whole.



New York, New York
March 30, 2025

Jewish Association for Services for the Aged and Affiliate

**Combined Statements of Financial Position
June 30, 2024 and 2023**

	<u>Assets</u>	
	<u>2024</u>	<u>2023</u>
Current assets		
Cash	\$ 2,616,143	\$ 5,337,044
Investments at fair value	8,372,148	7,520,797
Due from governmental agencies	10,437,776	10,154,357
Accounts receivable, net	7,924,064	6,380,516
Due from affiliates, net	1,987,064	2,820,197
Prepaid expenses and other assets	1,066,081	1,022,388
Total current assets	<u>32,403,276</u>	<u>33,235,299</u>
Noncurrent assets		
Investments in limited liability investment companies	-	521
Property and equipment, net	765,236	695,022
Assets held for a specific purpose	808,682	699,492
Assets held for Guardianship clients and others	7,230,488	7,897,373
Operating right-of-use assets	16,353,331	19,085,956
Total noncurrent assets	<u>25,157,737</u>	<u>28,378,364</u>
Total assets	<u>\$ 57,561,013</u>	<u>\$ 61,613,663</u>
	<u>Liabilities and Net Assets</u>	
Current liabilities		
Accounts payable and accrued expenses	\$ 3,077,813	\$ 3,394,820
Accrued payroll and payroll taxes	3,424,390	3,984,697
Operating lease liabilities, current	1,845,274	2,233,334
Refundable advances and other liabilities	6,301,269	4,769,857
Total current liabilities	<u>14,648,746</u>	<u>14,382,708</u>
Noncurrent liabilities		
Operating lease liabilities, noncurrent	16,338,243	18,558,097
Amounts held for a specific purpose	808,682	699,492
Due to Guardianship clients and others	7,230,488	7,897,373
Total noncurrent liabilities	<u>24,377,413</u>	<u>27,154,962</u>
Total liabilities	<u>39,026,159</u>	<u>41,537,670</u>
Net assets		
Without donor restrictions		
Undesignated	9,785,167	11,716,408
Board designated - operating reserve	7,061,715	6,384,143
Total net assets without donor restrictions	<u>16,846,882</u>	<u>18,100,551</u>
With donor restrictions	1,687,972	1,975,442
Total net assets	<u>18,534,854</u>	<u>20,075,993</u>
Total liabilities and net assets	<u>\$ 57,561,013</u>	<u>\$ 61,613,663</u>

See Notes to Combined Financial Statements.

Jewish Association for Services for the Aged and Affiliate

Combined Statements of Activities Years Ended June 30, 2024 and 2023

	2024			2023		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Support and revenues						
Private support						
UJA - Federation of New York grants	\$ 3,100,314	\$ -	\$ 3,100,314	\$ 3,087,029	\$ -	\$ 3,087,029
Contributions	2,081,530	326,614	2,408,144	2,245,928	528,626	2,774,554
JASA Corporation grants	5,279,679	-	5,279,679	6,583,580	-	6,583,580
Meals on Wheels grants	1,180,259	-	1,180,259	1,354,776	-	1,354,776
Special events	658,040	-	658,040	716,850	-	716,850
Less cost of direct benefits to donors	(193,408)	-	(193,408)	(172,623)	-	(172,623)
Legacies and bequests	378,158	-	378,158	1,000	-	1,000
Total private support	12,484,572	326,614	12,811,186	13,816,540	528,626	14,345,166
Governmental support	41,711,677	-	41,711,677	41,235,646	-	41,235,646
Total private and governmental support	54,196,249	326,614	54,522,863	55,052,186	528,626	55,580,812
Revenues						
Program service fees	7,439,766	-	7,439,766	6,352,628	-	6,352,628
Housing management fees	2,151,521	-	2,151,521	1,972,416	-	1,972,416
Client fees	346,061	-	346,061	371,579	-	371,579
Miscellaneous	30,656	-	30,656	32,195	-	32,195
Investment income (loss), net	721,548	126,710	848,258	490,317	82,734	573,051
Total revenues	10,689,552	126,710	10,816,262	9,219,135	82,734	9,301,869
Net assets released from restrictions	740,794	(740,794)	-	738,040	(738,040)	-
Total support and revenues	65,626,595	(287,470)	65,339,125	65,009,361	(126,680)	64,882,681
Expenses						
Program services	46,601,665	-	46,601,665	45,767,782	-	45,767,782
Total program services	46,601,665	-	46,601,665	45,767,782	-	45,767,782
Supporting services						
Management and general - JASA	16,646,652	-	16,646,652	14,341,665	-	14,341,665
Management and general - JHM	3,087,624	-	3,087,624	2,453,300	-	2,453,300
Fundraising	544,323	-	544,323	485,279	-	485,279
Total supporting services	20,278,599	-	20,278,599	17,280,244	-	17,280,244
Total expenses	66,880,264	-	66,880,264	63,048,026	-	63,048,026
Change in net assets	(1,253,669)	(287,470)	(1,541,139)	1,961,335	(126,680)	1,834,655
Net assets, beginning	18,100,551	1,975,442	20,075,993	16,139,216	2,102,122	18,241,338
Net assets, end	\$ 16,846,882	\$ 1,687,972	\$ 18,534,854	\$ 18,100,551	\$ 1,975,442	\$ 20,075,993

See Notes to Combined Financial Statements.

Jewish Association for Services for the Aged and Affiliate

**Combined Statement of Functional Expenses
Year Ended June 30, 2024**

	Program services					Total	Supporting services				Total	Cost of direct benefits to donors	Total
	Community guardian	Older adult centers	Intensive services	Care and case management	Other programs		Management and general - JASA	Management and general - Affiliate	Fundraising	Total			
Salaries	\$ 2,248,095	\$ 4,232,069	\$ 1,598,424	\$ 6,222,199	\$ 8,101,005	\$ 22,401,792	\$ 7,232,223	\$ 1,773,877	\$ 278,870	\$ 9,284,970	\$ 31,686,762	\$ -	\$ 31,686,762
Payroll taxes and fringe benefits	910,721	1,708,592	648,447	2,516,681	3,289,692	9,074,133	2,359,594	635,165	108,882	3,103,641	12,177,774	-	12,177,774
Total salaries and related expenses	3,158,816	5,940,661	2,246,871	8,738,880	11,390,697	31,475,925	9,591,817	2,409,042	387,752	12,388,611	43,864,536	-	43,864,536
Food and related expenses	100	1,445,313	-	3,599,128	61,911	5,106,452	1,662	-	1,843	3,505	5,109,957	37,640	5,147,597
Occupancy	335,305	1,075,444	205,131	501,679	805,174	2,922,733	1,073,843	118,829	18,842	1,211,514	4,134,247	126,134	4,260,381
Professional fees	561,212	310,666	36,933	366,361	1,087,201	2,362,373	2,003,031	224,731	5,610	2,233,372	4,595,745	-	4,595,745
Client services	-	675,756	24,904	296,152	1,015,792	2,012,604	(290)	4,860	3,020	7,590	2,020,194	-	2,020,194
Program and office expenses	90,874	381,694	70,627	120,922	427,667	1,091,784	1,220,568	89,113	93,902	1,403,583	2,495,367	29,634	2,525,001
Communication	28,651	71,983	16,937	46,264	120,836	284,671	81,260	15,970	11,331	108,561	393,232	-	393,232
Transportation expenses	26,706	34,606	19,100	172,175	42,440	295,027	21,121	16,971	1,900	39,992	335,019	-	335,019
Insurance	56,489	135,691	41,968	390,048	263,629	887,825	268,729	199,888	12,288	480,905	1,368,730	-	1,368,730
Miscellaneous	471	2,828	326	12,678	8,463	24,766	40,422	8,220	7,835	56,477	81,243	-	81,243
Bad debt expense	-	-	-	-	-	-	2,344,489	-	-	2,344,489	2,344,489	-	2,344,489
Total expenses before depreciation and amortization	4,258,624	10,074,642	2,662,797	14,244,287	15,223,810	46,464,160	16,646,652	3,087,624	544,323	20,278,599	66,742,759	193,408	66,936,167
Depreciation and amortization	-	-	-	-	137,505	137,505	-	-	-	-	137,505	-	137,505
Total functional expenses	\$ 4,258,624	\$ 10,074,642	\$ 2,662,797	\$ 14,244,287	\$ 15,361,315	\$ 46,601,665	\$ 16,646,652	\$ 3,087,624	\$ 544,323	\$ 20,278,599	\$ 66,880,264	\$ 193,408	\$ 67,073,672

See Notes to Combined Financial Statements.

Jewish Association for Services for the Aged and Affiliate

Combined Statement of Functional Expenses Year Ended June 30, 2023

	Program services					Total	Supporting services				Total	Cost of direct benefits to donors	Total
	Community guardian	Older adult centers	Intensive services	Care and case management	Other programs		Management and general - JASA	Management and general - Affiliate	Fundraising	Total			
Salaries	\$ 2,298,443	\$ 3,894,224	\$ 1,648,544	\$ 6,072,355	\$ 7,953,736	\$ 21,867,302	\$ 7,033,568	\$ 1,560,950	\$ 252,588	\$ 8,847,106	\$ 30,714,408	\$ -	\$ 30,714,408
Payroll taxes and fringe benefits	891,972	1,507,904	632,174	2,354,095	3,083,376	8,469,521	2,615,215	522,833	105,344	3,243,392	11,712,913	-	11,712,913
Total salaries and related expenses	3,190,415	5,402,128	2,280,718	8,426,450	11,037,112	30,336,823	9,648,783	2,083,783	357,932	12,090,498	42,427,321	-	42,427,321
Food and related expenses	-	1,384,268	23	4,060,784	46,559	5,491,634	2,287	26	106	2,419	5,494,053	22,105	5,516,158
Occupancy	345,574	1,082,396	281,365	283,061	871,692	2,864,088	852,171	147,940	21,732	1,021,843	3,885,931	121,686	4,007,617
Professional fees	760,015	376,589	21,358	523,575	837,458	2,518,995	2,198,042	122,460	8,910	2,329,412	4,848,407	-	4,848,407
Client services	-	714,605	25,363	284,083	763,185	1,787,236	(1,308)	-	2,675	1,367	1,788,603	-	1,788,603
Program and office expenses	83,097	447,107	56,000	96,010	486,783	1,168,997	1,208,751	59,199	58,230	1,326,180	2,495,177	28,832	2,524,009
Communication	32,305	65,609	20,914	52,463	131,950	303,241	113,075	12,263	9,713	135,051	438,292	-	438,292
Transportation expenses	15,408	33,442	14,860	252,941	35,627	352,278	15,007	9,948	5,114	30,069	382,347	-	382,347
Insurance	55,455	124,693	42,633	333,161	245,923	801,865	259,175	14,231	12,188	285,594	1,087,459	-	1,087,459
Miscellaneous	1,154	8,945	1,311	7,684	15,441	34,535	45,682	3,450	8,679	57,811	92,346	-	92,346
Bad debt expense	8,871	-	-	-	-	8,871	-	-	-	-	8,871	-	8,871
Total expenses before depreciation and amortization	4,492,294	9,639,782	2,744,545	14,320,212	14,471,730	45,668,563	14,341,665	2,453,300	485,279	17,280,244	62,948,807	172,623	63,121,430
Depreciation and amortization	-	-	-	-	99,219	99,219	-	-	-	-	99,219	-	99,219
Total functional expenses	\$ 4,492,294	\$ 9,639,782	\$ 2,744,545	\$ 14,320,212	\$ 14,570,949	\$ 45,767,782	\$ 14,341,665	\$ 2,453,300	\$ 485,279	\$ 17,280,244	\$ 63,048,026	\$ 172,623	\$ 63,220,649

See Notes to Combined Financial Statements.

Jewish Association for Services for the Aged and Affiliate

**Combined Statements of Cash Flows
Years Ended June 30, 2024 and 2023**

	2024	2023
Cash flows from operating activities		
Change in net assets	\$ (1,541,139)	\$ 1,834,655
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities		
Depreciation and amortization	137,505	99,219
Bad debt expense	2,344,489	8,871
Realized and unrealized gains	(541,177)	(390,888)
Noncash operating lease costs	2,554,876	2,260,448
Noncash change in operating lease liabilities	256,979	319,288
Changes in operating assets and liabilities		
Accounts receivable	(1,543,548)	4,574,578
Due from governmental agencies	(283,419)	(4,518,480)
Due from affiliates	(1,511,356)	(842,153)
Prepaid expenses and other assets	(43,693)	(104,785)
Assets held for a specific purpose	(109,190)	(150,949)
Assets held for Guardianship clients and others	666,885	(504,966)
Accounts payable and accrued expenses	(317,007)	586,687
Accrued payroll and payroll taxes	(560,307)	988,592
Refundable advances and other liabilities	1,531,412	305,561
Amounts held for a specific purpose	109,190	150,949
Due to Guardianship clients and others	(666,885)	504,966
Operating lease liabilities	(2,687,144)	(2,471,941)
Net cash (used in) provided by operating activities	(2,203,529)	2,649,652
Cash flows from investing activities		
Purchases of property and equipment	(207,719)	(388,293)
Purchases of investments	(309,653)	(2,084,603)
Proceeds from sales of investments	-	1,830,491
Net cash used in investing activities	(517,372)	(642,405)
Net (decrease) increase in cash	(2,720,901)	2,007,247
Cash, beginning	5,337,044	3,329,797
Cash, end	\$ 2,616,143	\$ 5,337,044
Supplemental disclosure of cash flow information		
Right-of-use assets obtained in exchange for operating lease liabilities	\$ 398,109	\$ 481,635

See Notes to Combined Financial Statements.

Jewish Association for Services for the Aged and Affiliate

Notes to Combined Financial Statements June 30, 2024 and 2023

Note 1 - Description of the Organization

Jewish Association for Services for the Aged ("JASA Services") and Affiliate (collectively, "JASA" or the "Organization") was founded in 1968 by the UJA Federation of New York to provide comprehensive services to older adults living in New York City and Long Island. JASA Services' mission is to sustain and enrich the lives of the aging in the New York metropolitan area so that they can remain in the community with dignity and autonomy. Annually, JASA Services assists more than 43,000 older adults, their family members and others who care for them, through a comprehensive, integrated network of services that provides a range of community care. Programs include case management, licensed mental health services, legal services, community guardian, adult protective services, senior centers, home delivered meals, social adult day care and special services for caregivers and victims of elder abuse. JASA Services is a trusted community resource for the diverse senior population living in the New York metropolitan area. Service delivery is client-centered, through the provision of programs that meet the needs and preferences of both able and frail older adults and maximize opportunities for fulfillment and safety in the community.

JASA Housing Management Services for the Aged, Inc. ("JHM") is a not-for-profit corporation incorporated in the State of New York which develops and manages housing facilities for older adults.

JASA Services and JHM are each wholly controlled by the JASA Corporation, their sole member.

Note 2 - Summary of significant accounting policies

Principles of combination

The accompanying combined financial statements include the financial position, operating activities, and cash flows of JASA Services and JHM, which are related through common board membership. All significant intercompany accounts and transactions have been eliminated in the combination. Various expenses, including salaries, occupancy costs and administrative expenses, have been allocated among JASA Services and JHM based upon services rendered by common personnel and usage of common facilities.

Basis of accounting

The combined financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Classification of net assets

Net assets and revenues, gain and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported in two categories of net assets as follows:

Without donor restrictions - net assets that are not subject to donor-imposed stipulations. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve.

With donor restrictions - net assets that are restricted by donor for use for a specific purpose or in a future period. Some donor-imposed restrictions are temporary in nature and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed.

Jewish Association for Services for the Aged and Affiliate

Notes to Combined Financial Statements June 30, 2024 and 2023

Other donor-imposed restrictions on net assets included in this category are permanent in nature. These net assets have been restricted by the donor to be maintained by the Organization either in perpetuity or until released by specific action by the Organization's Board of Trustees in accordance with applicable law.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the combined financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Donor-restricted contributions whose restrictions expire during the same fiscal year are recognized as contributions without donor restrictions.

Use of estimates

The preparation of the combined financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash

The Organization considers all highly-liquid investments with original maturities of three months or less when purchased to be cash equivalents. Cash consists of cash deposited with major U.S. banks. The Organization had no cash equivalents as of June 30, 2024 and 2023.

Investments

Investments in debt securities are stated at their fair values in the combined statements of financial position.

Net investment return includes dividends, interest, and realized and unrealized gains and losses on investments carried at fair value. External and direct internal investment related expenses are netted against investment returns.

Net investment return is reflected in the combined statements of activities as with donor restrictions or without donor restrictions based upon the existence and nature of any donor- or legally-imposed restrictions.

Investments in limited liability investment companies

The Organization's investments in limited liability investment companies (the "investment entities") are stated at fair value.

Investment entities are selected by the Investment Committee, which receives offering documents and performance history of each investment manager. The Investment Committee interviews the manager to determine whether the investment philosophy (particularly with respect to risk) and strategies of the investment entities are in the best interests of the Organization. Only after the Investment Committee makes a positive recommendation does the Organization invest in an investment entity. In addition, the actions of the Investment Committee are subject to review and approval by the Board of Trustees of the Organization.

Jewish Association for Services for the Aged and Affiliate

Notes to Combined Financial Statements June 30, 2024 and 2023

Endowment

The Organization follows the provisions of the Not-for-Profit Entities Topic of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958, related to enhanced disclosures for endowment funds.

In furtherance of the Organization's mission, the overall goal of the endowment is to provide a stable source of financial support and liquidity. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Applicable law requires that all endowment funds be classified as net assets with donor restriction. In the endowment, these comprise two types of funds: (1) funds that have donor restrictions requiring that they be maintained in perpetuity and (2) funds that do not have donor restrictions as to the term for which such funds must be maintained prior to their appropriation for spending and which can be appropriated for spending by specific action of the Organization's Board of Trustees. In the latter instance, where there is no such explicit donor restriction within the gift instrument, the Organization has determined that it will prudentially classify the original value of a gift and any subsequent gifts made under the same instrument as subject to donor restriction given the totality of the circumstances of the gift. Accumulated earnings on the endowment are also classified as net assets with donor restriction until those amounts are appropriated for expenditure by the Organization.

Contributions receivable

Unconditional promises to give are recognized as contribution revenue in the period received and are classified based on the existence or absence of donor-imposed restrictions. Promises to give are recorded at net realizable value if expected to be collected in one year. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows.

Accounts receivable and allowance for doubtful accounts

The Organization uses the allowance method to account for uncollectible government grants, accounts and contributions receivable. The allowance for doubtful accounts is based on prior years' experience and management's analysis of possible credit losses. Accounts receivable is shown net of allowance for doubtful accounts of approximately \$564,000 for each of the years ended June 30, 2024 and 2023. An allowance for doubtful accounts is not considered necessary for due from governmental agencies as of June 30, 2024 and 2023.

Amounts due from clients related to program service fee revenue consisted of the following for the years ended June 30, 2024 and 2023:

	2024	2023
Program service fees receivable, beginning of the year	\$ 1,263,841	\$ 1,080,947
Amounts collected	(5,394,618)	(4,514,557)
Amounts billed and recognized in program service fee revenue	5,661,138	4,697,451
Program service fees receivable, end of the year	<u>\$ 1,530,361</u>	<u>\$ 1,263,841</u>

Jewish Association for Services for the Aged and Affiliate

Notes to Combined Financial Statements June 30, 2024 and 2023

Other amounts included in accounts receivable, net relate to grants and contributions and receivables from the Organization's stop-loss insurance:

	<u>2024</u>	<u>2023</u>
Grants and contributions receivable	221,681	454,845
Accrued revenue from government sources	5,662,557	3,905,805
Stop-loss insurance receivable	322,850	739,811
Other receivables	<u>186,615</u>	<u>16,214</u>
	<u>\$ 6,393,703</u>	<u>\$ 5,116,675</u>

Property and equipment and depreciation and amortization

Property and equipment, which includes land, leasehold improvements, furniture and equipment, computer equipment, software and website, and vehicles, are stated at cost, or for donated items, at the fair value of the asset on the date of the gift. Depreciation and amortization is calculated using the straight-line method based on the following estimated useful lives of the respective assets:

	<u>Years</u>
Leasehold improvements	4 - 10
Furniture and equipment	10
Computer equipment, software and website	3
Vehicles	5

Property and equipment are capitalized if the cost, or fair value at date of donation, is \$5,000 or more and the useful life is greater than one year. Leasehold improvements are amortized over the life of the property or lease term, whichever is shorter. The cost of equipment and leasehold improvements financed by governmental funding sources is expensed when incurred if the contractual agreement specifies that title to these assets rests with the governmental funding source rather than the Organization.

The cost of assets sold or otherwise disposed of and the accumulated depreciation thereon are eliminated from the accounts and the resulting gain or loss is recorded except for assets traded where no cash is received. Expenditures for maintenance and repairs are expensed as incurred; replacements and betterments that extend the useful lives are capitalized.

Assets held for Guardianship clients

Assets held for numerous persons determined to be incapacitated under Article 81 of the New York State Mental Hygiene Law ("Guardianship clients") include funds held by the Organization in its capacity as Guardian, by appointment of the Supreme Court of the State of New York. Disbursements are made by the Organization to pay all expenditures on behalf of Guardianship clients.

Assets held for a specific purpose

Assets held for a specific purpose are funds held by the Organization for numerous Guardianship clients for burial costs.

Contributions

Unconditional contributions received without donor restrictions are recorded as revenue in the period received and are considered net assets without donor restrictions. Contributions are recorded net of estimated uncollectible amounts. Conditional promises to give, that is, those with a measurable

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performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. The Organization's federal and state contracts and grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. The Organization records contributions as net assets with donor restrictions if they are received with donor stipulations that limit their use either through purpose or time restrictions.

The Organization reports gifts of property and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

In-kind contributions

Not-for-profit entities are required to record contributed goods and services revenue if those services create or enhance nonfinancial assets or are provided by individuals who possess specialized skills that would typically need to be purchased, if not provided by donation. Contributed goods and services were not material for the years ended June 30, 2024 and 2023.

Revenue recognition

Revenue is recognized when control of the promised service is transferred to the Organization's customers or outside parties in an amount that depicts the consideration the Organization expects to be entitled to in exchange for those services. Revenue is not recognized unless collectability under the contract is considered probable, the contract has commercial substance and the contract has been approved. Additionally, the contract must contain payment terms, as well as the rights and commitments of both parties.

Governmental support - The Organization receives a substantial portion of its revenue for services provided to approved clients from third-party reimbursement agencies; primarily the New York City Department for the Aging ("DFTA") and the New York City Human Resources Administration ("HRA"). Revenue from government grants and contracts is recognized as either exchange transactions or contributions. When the resource provider receives commensurate value in return for the resources transferred to the Organization, the revenue from the grant or contract is accounted for as an exchange transaction. For purposes of determining whether a transfer of asset is a contribution or an exchange, the Organization deems that the resource provider is not synonymous with the general public, i.e., indirect benefit received by the public as a result of the assets transferred is not deemed equivalent to commensurate value received by the resource provider. Moreover, the execution of a resource provider's mission or the positive sentiment from acting as a donor is not deemed to constitute commensurate value received by a resource provider. Revenue from grants and contracts that are accounted for as exchange transactions is recognized when performance obligations have been satisfied, typically when allowable expenditures have been incurred during the specified contract periods. Cash received in excess of revenue recognized is recorded as refundable advances. Costs are subject to audits by third-party payers and changes, if any, are recognized in the year that they are known to the Organization.

On the other hand, when the resource provider does not receive commensurate value, but still expends the funds to the Organization, the transaction is accounted for as a contribution. Typically, the grant and contract agreements contain a right of return or right of release from the respective obligation provision on the part of the resource provider, and the Organization has limited discretion over how the funds transferred should be spent. As such, the Organization accounts for its revenue

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from government grants and contracts as conditional contributions and, therefore, recognizes revenue when the related barrier to entitlement has been overcome, which is primarily when the related expenses are incurred in accordance with the terms of the respective grant or contract agreement. If such conditions are not met during the specified periods in the contracts, the governmental entities are not obligated to expend the funds allotted under the contracts. Funds received in advance of conditions being met are reported as refundable advances in the combined statements of financial position.

Program service fees - Program service revenue includes estimated net realizable amounts to be received from third-party payers for services rendered by the Organization. Such revenue for the years ended June 30, 2024 and 2023 is principally related to individuals participating in the Organization's clinic and other programs, who are covered principally by Medicare, Medicaid, and third-party payors. Generally, the Organization bills the individuals and third-party payors several days after the services are performed.

Revenue is recognized as performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided by the Organization. The Organization measures the performance obligation from the commencement of an outpatient service, to the point when it is no longer required to provide services to that patient, which is generally at the time of completion of the outpatient services.

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

Housing management fees - The Organization receives management fees from its affiliates which are reported on the combined statements of activities. Eight affiliated housing entities are charged management fees by JHM for various management services. Management fees are recognized when management services are performed.

Grant income - The Organization has an agreement with UJA Federation of New York in which it receives monthly and quarterly grant funds for services and other programs for older adults.

Functional expenses

The costs of supporting the various programs and other activities of the Organization have been summarized on a functional basis in the combined statements of functional expenses. Costs that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the program services, management and general, and fundraising categories based on time and effort measurements. Management and general expenses include costs not identifiable with any specific program, but which provide for the overall support and direction of the Organization. Fundraising costs are expensed as incurred, even though they may result in contributions received in future years.

Income taxes

JASA Services and JHM were incorporated in the State of New York and are exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code (the "IRC"). JASA Services and JHM have both been determined by the Internal Revenue Service (the "IRS") not to be

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"private foundations" within the meaning of Section 509(a) of the IRC. There was no unrelated business income for the years ended June 30, 2024 and 2023; therefore, there is no provision for income taxes in the accompanying combined financial statements.

Management has analyzed the tax positions taken by the Organization and has concluded that, as of June 30, 2024 and 2023, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability or asset or disclosure in the combined financial statements. The Organization's federal and state information returns filed prior to fiscal year 2021 are closed. Management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in the tax law and new authoritative rulings.

Concentrations of credit risk

Financial instruments that potentially subject the Organization to credit risk consist principally of cash, investments, due from governmental agencies, accounts receivable and contributions receivable. The Organization maintains its cash in bank deposit accounts and money market accounts, the balances of which, at times, may exceed federally insured limits. Exposure to credit risk is reduced by placing such deposits in high-quality financial institutions. Concentration of credit risk with respect to due from governmental agencies, accounts receivable and contributions receivable is limited due to the fact that the receivables are mainly derived from governmental agencies under separate contracts and that contributions receivable are mainly derived from established foundations and have short payment periods. Investments are exposed to various risks. The Organization historically reduces its exposure to these risks by placing a significant portion of its investments in money market accounts. However, due to the level of risk associated with certain of its other investments, it is at least reasonably possible that changes in the value of these investments will occur in the near term and that such changes could materially affect the combined financial statements.

New accounting pronouncement

On July 1, 2023, the Organization adopted FASB Accounting Standards Update ("ASU") No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, and its related amendments using the prospective method. The new standard changes the impairment model for most financial assets that are measured at amortized cost and certain other instruments, including trade receivables, from an incurred loss model to an expected loss model and adds certain new required disclosures. Under the expected loss model, entities will recognize credit losses to be incurred over the entire contractual term of the instrument rather than delaying recognition of credit losses until it is probable the loss has been incurred. In accordance with ASC 326, the Organization evaluates certain criteria, including aging and historical write-offs, current economic conditions of specific customers and future economic conditions to determine the appropriate allowance for credit losses. There were no material financial effects as a result of the adoption of ASC 326.

Subsequent events

The Organization evaluated its June 30, 2024, combined financial statements for subsequent events through March 30, 2025, the date the combined financial statements were available to be issued.

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Notes to Combined Financial Statements June 30, 2024 and 2023

Note 3 - Fair value measurements

Fair value measurements establish a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities ("Level 1") and the lowest priority to unobservable inputs ("Level 3"). The three levels of the fair value hierarchy are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted market prices for identical assets in active markets that the Organization has the ability to access.

Level 2: Inputs other than quoted prices include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full-term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Organization's holdings in certificates of deposit consist of FDIC insured investments with original maturities greater than 90 days that are carried at their aggregate fair values, determined by quoted market prices, and which can be liquidated daily. The valuation of the above is based on Level 1 inputs within the hierarchy used in measuring fair value.

Given the absence of market quotations, alternative investments in nonmarketable funds are reported at net asset value ("NAV") as a practical expedient to estimate the fair value of the Organization's interest therein. Their fair values are estimated using information provided to the Organization by the investment managers. Individual investment holdings within the alternative investments may include investments in both nonmarketable and market-traded securities. Nonmarketable securities may include equity in private companies, real estate, thinly-traded securities, and other investment vehicles. While the investments may indirectly expose the Organization to various financial instruments and varying degrees of risk, the Organization's exposure with respect to each such investment is limited to its carrying amount (fair value) in each investment. The financial statements of the investees are audited annually by nationally recognized firms of independent auditors. The Organization does not directly invest in the underlying securities of the investment funds and, due to certain restrictions on transferability and timing of withdrawals from the limited liability investment companies, the amounts realized upon liquidation could differ from reported values that are based on current conditions.

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Below sets forth a table of assets measured at fair value as of June 30, 2024 and 2023:

	2024	
	Level 1	Total
Money market funds	\$ 81,011	\$ 81,011
Mutual funds	8,291,137	8,291,137
Total investments	\$ 8,372,148	\$ 8,372,148
	2023	
	Level 1	Total
Money market funds	\$ 53,092	\$ 53,092
Mutual funds	7,467,705	7,467,705
Totals	\$ 7,520,797	7,520,797
Investments measured at NAV (a)		521
Total investments		\$ 7,521,318

(a) In accordance with Subtopic 820-10, certain investments that were measured at NAV 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 combined statements of financial position.

There were no investments measured using NAV as of June 30, 2024. The following table provides additional information about alternative investments measured using NAV as of June 30, 2023:

Investments	Fair values as of June 30, 2023	Unfunded commitments	Redemption frequency	Other redemption restrictions	Redemption notice period
Other	\$ 521	None	None	No redemptions are permitted.	N/A

Note 4 - Property and equipment, net

Property and equipment consists of the following as of June 30:

	2024	2023
Land	\$ 1,495	\$ 1,495
Leasehold improvements	641,450	517,608
Furniture and equipment	654,576	623,501
Computer equipment, software and website	885,733	832,931
Vehicles	1,043,211	1,043,211
	3,226,465	3,018,746
Less accumulated depreciation and amortization	2,461,229	2,323,724
Total property and equipment, net	\$ 765,236	\$ 695,022

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Depreciation and amortization expenses for the years ended June 30, 2024 and 2023, were \$137,505 and \$99,219, respectively.

Note 5 - Related party transactions

The Organization is related to JHM, One Stop Senior Services, and eight housing entities through their sole member, JASA Corporation. The Organization is related to Services for the Aged through common board members. The housing entities operate apartment buildings located in New York City and are regulated by the United States Department of Housing and Urban Development ("HUD"). Brookdale Village Housing Corporation and Coney Island Site Nine Houses, Inc. are also regulated by the New York State Division of Housing and Community Renewal ("DHCR"). JHM provides management services to the eight housing entities through management agreements approved by HUD and/or DHCR. The Organization provides some services onsite at the housing entities, for which the Organization is reimbursed. JHM recognized housing management fee income of approximately \$2,152,000 and \$1,972,000 for the years ended June 30, 2024 and 2023, respectively. In addition, JHM recognized fees for other accounting services, which are included in program income on the combined statements of activities, in the amounts of \$294,000 and \$286,000 for the years ended June 30, 2024 and 2023, respectively. All such fees are regulated by HUD or DHCR, as applicable.

The amounts due from affiliates are primarily for unpaid management fees, accounting fees and insurance costs. For the years ended June 30, 2024 and 2023, administrative fees charged to Services for the Aged approximated \$1,485,000 and \$1,366,000, respectively.

During the years ended June 30, 2024 and 2023, the Organization paid office rent to its affiliate, One Stop Senior Services, in the amount of approximately \$44,000 for each year.

During the years ended June 30, 2024 and 2023, JASA Corporation made grants to JASA Services and JHM amounting to approximately \$5,280,000 and \$6,584,000, respectively.

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The following is a summary of related party receivables (payables):

	<u>2024</u>	<u>2023</u>
Due from (to) affiliates		
Services for the Aged	\$ 827,993	\$ 1,516,496
Brighton Beach Housing Development Fund Company, Inc.	54,470	265,131
Brookdale Village Housing Corporation	96,065	107,576
Bushwick Senior Housing	28,495	-
Casa Celina	144,578	-
Coney Island Site Nine Houses, Inc.	55,110	59,493
Cooper Square Senior Housing LP	53,854	62,515
Israel Senior Citizens Housing Development Fund Corp	172,519	192,604
JASA Corporation	391,787	398,379
JASA Housing Developer LLC	104	-
Manhattan Beach LP	44,383	53,234
One Stop Senior Services, Inc.	(20,863)	(20,863)
Positively Third Street Housing Development Fund Co., Inc.	34,291	24,175
Seagirt Housing LP	27,300	95,751
1490 Southern Boulevard - managed company	<u>76,978</u>	<u>65,706</u>
 Total	 <u>\$ 1,987,064</u>	 <u>\$ 2,820,197</u>

Note 6 - Pension plan

The Organization is a participant in a pension plan that has been characterized for financial accounting purposes as a multi-employer pension plan. The Retirement Plan for Employees of United Jewish Appeal - Federation of Jewish Philanthropies on New York, Inc. and Affiliate Agencies and Institutions (the "Fund"), EIN 51-0172429, is a noncontributory, multi-employer defined benefit plan which covers eligible employees of the Organization. The risks of participating in multi-employer plans are different from single-employer plans in the following aspects:

- Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer stops contributing to the multi-employer plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- If one of the participating employers petitions to stop participating in the multi-employer plan, such employer may be required to pay the plan a withdrawal liability based on the funded status of the plan.

The Fund is designed to provide retirement benefits for its members, including the eligible employees of the Organization. Benefits are calculated utilizing specified percentages within the plan document.

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The following table discloses the most recent funded status of the Fund, as of October 1, 2022 and 2021 (the dates of the latest actuarial valuation), inclusive of the fair value of plan assets as of September 30, 2022 and 2021, respectively:

Valuation date	EIN and Plan number	Fair value of Plan assets	Actuarial present value of accumulated Plan benefits	Total contributions	Funded status	Zone status
October 1, 2023	51-0172429, 333	\$ 484,279,189	\$ 574,389,061	\$ 24,271,658	85%	N/A
October 1, 2022	51-0172429, 333	\$ 450,882,565	\$ 569,263,304	\$ 24,055,455	79%	N/A

As of September 30, 2023 and 2022, the Fund has a certified green zone status as determined by the Fund's actuary. The Fund did not utilize any extended amortization provisions that would affect the calculation of its zone status.

The Organization is not required to file an annual zone certification under the Pension Protection Act of 2006 and disclosures concerning a financial improvement plan or rehabilitation plan are not applicable. The Fund is at least 80% funded using the most recent financial information as of September 30, 2023, the end of the Fund year.

The Organization's contributions to the Fund for the years ended June 30, 2024 and 2023, were approximately \$1,215,000 and \$1,232,000, respectively. The Organization's contributions for the Fund's years ended September 31, 2023 and 2022 represented approximately 6.5% of the total contributions for each of those years.

In addition, the Organization sponsors a defined contribution plan, under IRC 403(b), of which all employees are eligible to participate. Employees may defer a portion of their salaries up to the annual amount limited by the IRS. The Organization does not provide a matching contribution to this plan.

Note 7 - Concentrations and contingencies

Government funding

The Organization receives a substantial amount of its operating support from federal, state and local governments. Any significant reduction in the level of this support could have an effect on the programs the Organization provides. For the years ended June 30, 2024 and 2023, approximately 83% and 93% of the government revenue, respectively, was earned through contracts with the City of New York (which includes federal and state pass-through awards). These contractual agreements are on a reimbursement basis, which requires performance of certain services by the Organization before revenue can be recognized.

Pursuant to the contractual agreements with the governmental funding sources, governmental agencies have the right to examine the books and records of the Organization involving transactions related to these contracts. In the opinion of management, disallowances, if any, would not be material to the Organization's financial position.

Litigation

The Organization is a defendant in various legal actions in the normal course of its operations. Although the final outcome of such actions cannot currently be determined, the Organization's management believes that the eventual liability to the Organization, if any, will be immaterial.

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Note 8 - Endowment funds

Interpretation of relevant law

The New York Prudent Management of Institutional Funds Act ("NYPMIFA") was enacted in September 2010. The Organization has interpreted NYPMIFA as requiring the preservation of the original gift, as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets: (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions perpetual in nature is classified as net assets with program restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by NYPMIFA. In accordance with NYPMIFA, the Board of Trustees considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purpose of the Organization and the donor-restricted endowment fund;
- General economic conditions;
- The possible effects of inflation and deflation;
- The expected total return from income and the appreciation of investments;
- Other resources of the Organization;
- The investment policies of the Organization; and
- Where appropriate, alternatives to spending from donor-restricted endowment funds and the possible effects on the Organization.

Spending policy, return objectives and risk parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Investment Committee, the endowment assets are invested in a manner that is intended to provide, in priority order: 1) safety of principal; 2) liquidity for operating needs; 3) diversification of risk; and 4) maximization of yield.

Strategies employed for achieving objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy designed to provide a reasonable level of annual distributions to general operating funds and to provide for the long-term preservation of its endowment funds.

The investment strategy of the Organization is based on a disciplined, consistent, and diversified approach utilizing multiple asset classes and multiple managers, as appropriate. The intent is to accommodate and consider diverse strategies deemed reasonable and prudent.

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Invested assets are managed in a socially responsible manner with the goal of protecting principal while generating income appropriate to conservative investment strategy with strict fiscal principles.

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

	With donor restrictions		
	Program restrictions	Perpetual in nature	Total
Endowment net assets, beginning of year	\$ (56,088)	\$ 1,216,394	\$ 1,160,306
Realized and unrealized investment income	126,710	-	126,710
	<u>\$ 70,622</u>	<u>\$ 1,216,394</u>	<u>\$ 1,287,016</u>

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

	With donor restrictions		
	Program restrictions	Perpetual in nature	Total
Endowment net assets, beginning of year	\$ (138,822)	\$ 1,216,394	\$ 1,077,572
Realized and unrealized investment income	82,734	-	82,734
	<u>\$ (56,088)</u>	<u>\$ 1,216,394</u>	<u>\$ 1,160,306</u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the historical dollar value of the funds. In accordance with U.S. GAAP, deficiencies of this nature are reported in net assets with donor restrictions. These deficiencies resulted from unfavorable market fluctuations that occurred during the year. Subsequent gains that restore the fair value of the net assets of the endowment funds to the original level will be classified as an increase in net assets with donor restrictions. As of June 30 2023, the amount by which funds were underwater was \$56,088. As of June 30, 2024, the funds were not underwater.

Note 9 - Net assets

Without donor restrictions

Net assets without donor restrictions are broken out into two categories which are undesignated and board designated - operating reserve. The undesignated funds are fully available to the Organization without any restrictions or permissions from the Board of Trustees. Included in that amount is a working capital fund set aside to supplement cash flow needs due to reimbursement timing issues with the Organization's funding sources. Once the reimbursement receivables are paid, the money is replenished back to the working capital fund. The working capital fund does not require any board approvals to use. The board designated - operating reserve fund requires finance committee approval prior to accessing funds but is not restricted in any way for use or specific programs.

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With donor restrictions

Net assets with donor restrictions are available for use in future periods to offset expenses and are available by program service and program as restricted by the respective donors as follows as of June 30:

	<u>2024</u>	<u>2023</u>
Sundays at JASA	\$ 56,116	\$ 56,116
Client financial assistance	16,398	16,398
Elder abuse and legal assistance	37,500	-
Community health	52,916	99,817
Home delivered meals	41,823	33,216
Senior centers	59,012	56,312
Information and assistance	-	65,397
Technology initiative	1,403	1,403
Social work education and research	76,376	321,117
Others	<u>59,412</u>	<u>165,360</u>
	400,956	815,136
Endowment fund	<u>1,287,016</u>	<u>1,160,306</u>
	<u>\$ 1,687,972</u>	<u>\$ 1,975,442</u>

Net assets with donor restrictions were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the passage of time. The net assets released from restrictions for the years ended June 30, 2024 and 2023, by program service and program, were as follows:

	<u>2024</u>	<u>2023</u>
Client financial assistance	\$ -	\$ 16,033
Elder abuse and legal assistance	103,500	172,500
Community health	46,900	73,228
Home delivered meals	51,844	52,145
Senior centers	22,114	35,509
Information and assistance	65,397	110,911
Technology initiative	-	49,913
Social work education and research	244,741	178,883
Others	<u>206,298</u>	<u>48,918</u>
	<u>\$ 740,794</u>	<u>\$ 738,040</u>

Note 10 - Collective bargaining agreement

Substantially all of the Organization's nonmanagement employees are covered by a collective bargaining agreement. The agreement with New York's Community and Social Agency Employees Union District Council 1707 ("DC 1707") was effective through June 30, 2018. In July 2019, the Organization signed a memorandum of understanding with DC 1707 to extend the collective bargaining agreement to June 30, 2021. Currently, the Organization is operating under the terms of the existing agreement and ratified a new agreement in August 2023.

Jewish Association for Services for the Aged and Affiliate

Notes to Combined Financial Statements June 30, 2024 and 2023

Note 11 - Leases

The Organization leases office and program spaces under several operating leases, which expire at various times through January 2036. All contracts that implicitly or explicitly involve property and equipment are evaluated to determine whether they are or contain a lease.

At lease commencement, the Organization recognizes a lease liability, which is measured at the present value of future lease payments, and a corresponding right-of-use asset equal to the lease obligation, adjusted for prepaid lease costs, initial direct costs, and lease incentives. The Organization has elected and applies the practical expedient available to lessees to combine nonlease components with their related lease components and account for them as a single combined lease component for its leases. The Organization remeasures its lease liabilities and right-of-use assets whenever there is a change to the lease term and/or there is a change in the amount of future lease payments, but only when such modification does not qualify to be accounted for as a separate contract.

For accounting purposes, the Organization's leases commence on the earlier of (i) the date upon which the Organization obtains control of the underlying asset and (ii) the contractual effective date of a lease. Lease commencement for the Organization's leases coincide with the contractual effective dates. The Organization's leases have a minimum base term with a renewal option or fixed term with an early termination option. Such renewal and early termination options are exercisable at the option of the Organization and, when exercised, usually provide for rental payments during the extension period at then current market rates or at pre-determined rental amounts.

Unless the Organization determines that it is reasonably certain that the term of a lease will be extended, such as through the exercise of a renewal option or nonexercise of an early termination option, the term of a lease begins at lease commencement and spans for the duration of the minimum noncancellable contractual term. When the exercise of a renewal option or nonexercise of an early termination option is reasonably certain, the lease term is measured as ending at the end of the renewal period or on the date an early termination may be exercised.

The Organization includes variable rental payments based on a rate or an index such as the Consumer Price Index in its measurement of lease payments based on the rate or index in effect at lease commencement. Other types of variable lease payments are expensed as incurred.

Leases involving real estate

Leases of program centers and the Organization's headquarters have lease terms that range from 3 to 12 years, which terms have been incorporated into the measurement of the related right-of-use assets and lease liabilities. Although most of the Organization's real estate leases include one or more options to renew that can extend the contractual terms, those renewal options are exercisable solely at the Organization's discretion and have been excluded from lease term measurements. The Organization's real estate leases generally require reimbursement of real estate taxes, common area maintenance, and insurance.

Rental payments on these leases provide for fixed minimum payments that increase over the lease terms at predetermined amounts. Rent expense is recognized using the straight-line method over the terms of the leases. Variable rental payments for taxes and other charges are recognized as occupancy expenses when incurred.

Leases with related parties

On November 21, 2016, the Organization entered into a Letter of Understanding with Services for the Aged, an affiliate, to sublease office space. The lease term commenced on November 31, 2016 and

Jewish Association for Services for the Aged and Affiliate

**Notes to Combined Financial Statements
June 30, 2024 and 2023**

terminates May 31, 2032. During the year ended June 30, 2023, the sublease payments were modified from July 1, 2022 through the end of the sublease term. Rental income collected from Services for the Aged is included in occupancy expenses in the combined statements of functional expenses.

As stated in Note 5, the Organization leased program space from One Stop Senior Services, an affiliate. The lease was cancellable at any time. The Organization elected to not recognize a lease liability and right-of-use asset for this short-term lease.

Financial information

The following provides information about the Organization's right-of-use assets and lease liabilities for its operating leases as of June 30, 2024 and 2023:

		Combined Statements of Financial	
		Position Classification	
		2024	2023
Right-of-use assets			
Operating leases	Operating right-of-use assets	<u>\$ 16,353,331</u>	<u>\$ 19,085,956</u>
Lease liabilities			
Operating leases	Operating lease liability, current	\$ 1,845,274	\$ 2,233,334
Operating leases	Operating lease liability, noncurrent	<u>16,338,243</u>	<u>18,558,097</u>
	Total lease liabilities	<u>\$ 18,183,517</u>	<u>\$ 20,791,431</u>

The components of the Organization's lease costs for its office and program spaces for the years ended June 30, 2024 and 2023 are as follows:

		Combined Statements of Functional	
		Expenses Classification	
		2024	2023
Operating lease cost, net			
Rent expense	Occupancy	\$ 2,765,825	\$ 2,579,118
Short-term leases (1)	Occupancy	536,724	926,577
Variable/contingent rents	Occupancy	1,271,904	692,484
Sublease (income)	Occupancy	<u>(314,072)</u>	<u>(312,248)</u>
	Net operating lease cost	<u>\$ 4,260,381</u>	<u>\$ 3,885,931</u>

(1) The Organization has elected to apply the short-term lease practical expedient to its leases of certain program spaces.

The weighted average remaining lease term and weighted average discount rate for the Organization's leases as of June 30, 2024 and 2023 are as follows:

	2024	2023
Weighted average remaining term (in years)	7.9	8.7
Weighted average discount rate (1)	1.60%	1.51%

Jewish Association for Services for the Aged and Affiliate

**Notes to Combined Financial Statements
June 30, 2024 and 2023**

(1) The Organization has elected to use the risk-free rate as the discount rate for its leases involving its office and program spaces. The Organization uses rates on U.S. government securities for periods comparable with lease terms as the risk-free rate.

The annual maturity analysis of the Organization's lease obligation as of June 30, 2024 is as follows:

2025	\$	2,429,825
2026		2,490,945
2027		2,488,258
2028		2,463,816
2029		2,239,030
Thereafter		<u>7,373,837</u>
Total lease payments		19,485,711
Less interest		<u>(1,302,194)</u>
Present value of lease liabilities		18,183,517
Less current portion of lease liabilities		<u>(1,845,274)</u>
Noncurrent portion of lease liabilities	\$	<u><u>16,338,243</u></u>

The above lease commitments will be offset by payments received under the sublease with a related party described above as follows:

2025	\$	332,285
2026		336,257
2027		346,493
2028		375,270
2029		384,652
Thereafter		<u>1,177,313</u>
Total lease receipts	\$	<u><u>2,952,270</u></u>

Jewish Association for Services for the Aged and Affiliate

**Notes to Combined Financial Statements
June 30, 2024 and 2023**

Note 12 - Availability and liquidity

As of June 30, 2024 and 2023, the following represents the Organization's liquidity resources and financial assets available within one year of the dates of financial position for general expenditures, such as operating expenses:

	2024	2023
Financial assets, at year end		
Cash	\$ 2,616,143	\$ 5,337,044
Investments	8,372,148	7,521,318
Due from governmental agencies	10,437,776	10,154,357
Accounts receivable, net	7,924,064	6,380,516
Due from affiliates, net	1,987,064	2,820,197
Total financial assets	31,337,195	32,213,432
Less amounts not available to be used within one year		
Investments in limited liability investment companies (see Note 3)	-	521
Net assets with donor restrictions	1,687,972	1,975,442
Financial assets available to meet general expenditures over the next 12 months	\$ 29,649,223	\$ 30,237,469

The board designated-operating reserve in the amount of \$7,061,715 can be appropriated for general expenditure, if necessary, by approval of the Board of Trustees.

Supplemental Information

Jewish Association for Services for the Aged and Affiliate

**Combining Statement of Financial Position
June 30, 2024**

Assets

	<u>JASA Services</u>	<u>JHM</u>	<u>Eliminations</u>	<u>Total</u>
Current assets				
Cash	\$ 1,728,986	\$ 887,157	\$ -	\$ 2,616,143
Investments at fair value	8,372,148	-	-	8,372,148
Due from governmental agencies	10,437,776	-	-	10,437,776
Accounts receivable, net	7,924,064	-	-	7,924,064
Due from affiliates, net	1,843,837	531,716	(388,489)	1,987,064
Prepaid expenses and other assets	1,035,854	30,227	-	1,066,081
Total current assets	31,342,665	1,449,100	(388,489)	32,403,276
Noncurrent assets				
Investments in limited liability investment companies	-	-	-	-
Property and equipment, net	762,236	3,000	-	765,236
Assets held for a specific purpose	808,682	-	-	808,682
Assets held for Guardianship clients and others	7,230,488	-	-	7,230,488
Right-of-use asset	16,353,331	-	-	16,353,331
Total noncurrent assets	25,154,737	3,000	-	25,157,737
Total assets	\$ 56,497,402	\$ 1,452,100	\$ (388,489)	\$ 57,561,013

Liabilities and Net Assets

Current liabilities				
Accounts payable and accrued expenses	\$ 2,981,558	\$ 96,255	\$ -	\$ 3,077,813
Accrued payroll and payroll taxes	3,015,509	408,881	-	3,424,390
Due to affiliates	-	388,489	(388,489)	-
Lease liabilities, current	1,845,274	-	-	1,845,274
Refundable advances and other liabilities	6,301,269	-	-	6,301,269
Total current liabilities	14,143,610	893,625	(388,489)	14,648,746
Noncurrent liabilities				
Lease liabilities, noncurrent	16,338,243	-	-	16,338,243
Amounts held for a specific purpose	808,682	-	-	808,682
Due to Guardianship clients and others	7,230,488	-	-	7,230,488
Total noncurrent liabilities	24,377,413	-	-	24,377,413
Total liabilities	38,521,023	893,625	(388,489)	39,026,159
Net assets				
Without donor restrictions				
Undesignated	9,226,692	558,475	-	9,785,167
Board designated - operating reserve	7,061,715	-	-	7,061,715
	16,288,407	558,475	-	16,846,882
With donor restrictions	1,687,972	-	-	1,687,972
Total net assets	17,976,379	558,475	-	18,534,854
Total liabilities and net assets	\$ 56,497,402	\$ 1,452,100	\$ (388,489)	\$ 57,561,013

See Independent Auditor's Report.

Jewish Association for Services for the Aged and Affiliate

**Combining Statement of Activities
Year Ended June 30, 2024**

	JASA Services			JHM		Total		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	Eliminations	Without donor restrictions	With donor restrictions	Total
Support and revenues								
Private support								
UJA - Federation of New York grants	\$ 3,100,314	\$ -	\$ 3,100,314	\$ -	\$ -	\$ 3,100,314	\$ -	\$ 3,100,314
Contributions	2,081,505	326,614	2,408,119	25	-	2,081,530	326,614	2,408,144
JASA Corporation grants	2,833,083	-	2,833,083	2,446,596	-	5,279,679	-	5,279,679
Meals on Wheels grants	1,180,259	-	1,180,259	-	-	1,180,259	-	1,180,259
Special events	643,040	-	643,040	15,000	-	658,040	-	658,040
Less cost of direct benefits to donors	(193,408)	-	(193,408)	-	-	(193,408)	-	(193,408)
Legacies and bequests	378,158	-	378,158	-	-	378,158	-	378,158
Total private support	10,022,951	326,614	10,349,565	2,461,621	-	12,484,572	326,614	12,811,186
Governmental support	41,711,677	-	41,711,677	-	-	41,711,677	-	41,711,677
Total private and governmental support	51,734,628	326,614	52,061,242	2,461,621	-	54,196,249	326,614	54,522,863
Revenues								
Program service fees	9,341,294	-	9,341,294	293,580	(2,195,108)	7,439,766	-	7,439,766
Housing management fees	-	-	-	2,151,521	-	2,151,521	-	2,151,521
Client fees	346,061	-	346,061	-	-	346,061	-	346,061
Miscellaneous	30,025	-	30,025	631	-	30,656	-	30,656
Investment income, net	721,548	126,710	848,258	-	-	721,548	126,710	848,258
Total revenues	10,438,928	126,710	10,565,638	2,445,732	(2,195,108)	10,689,552	126,710	10,816,262
Net assets released from restrictions	740,794	(740,794)	-	-	-	740,794	(740,794)	-
Total support and revenues	62,914,350	(287,470)	62,626,880	4,907,353	(2,195,108)	65,626,595	(287,470)	65,339,125
Expenses								
Program services	46,601,665	-	46,601,665	-	-	46,601,665	-	46,601,665
Total program services	46,601,665	-	46,601,665	-	-	46,601,665	-	46,601,665
Supporting services								
Management and general - JASA	16,646,652	-	16,646,652	-	-	16,646,652	-	16,646,652
Management and general - JHM	-	-	-	5,282,732	(2,195,108)	3,087,624	-	3,087,624
Fundraising	544,323	-	544,323	-	-	544,323	-	544,323
Total supporting services	17,190,975	-	17,190,975	5,282,732	(2,195,108)	20,278,599	-	20,278,599
Total expenses	63,792,640	-	63,792,640	5,282,732	(2,195,108)	66,880,264	-	66,880,264
Changes in net assets	(878,290)	(287,470)	(1,165,760)	(375,379)	-	(1,253,669)	(287,470)	(1,541,139)
Net assets, beginning	17,166,697	1,975,442	19,142,139	933,854	-	18,100,551	1,975,442	20,075,993
Net assets, end	\$ 16,288,407	\$ 1,687,972	\$ 17,976,379	\$ 558,475	\$ -	\$ 16,846,882	\$ 1,687,972	\$ 18,534,854

See Independent Auditor's Report.



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