Jewish Social Service Agency and Affiliates

Consolidated Financial Statements
and Independent Auditor's Report

June 30, 2024 and 2023

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Jewish Social Service Agency and Affiliates

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Independent Auditor's Report on Consolidated Financial Statements

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

Opinion

We have audited the consolidated financial statements of Jewish Social Service Agency and Affiliates (collectively, "JSSA"), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities and change in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Jewish Social Service Agency and Affiliates as of June 30, 2024 and 2023, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Consolidated Financial Statements

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

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

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

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

In performing an audit in accordance with GAAS, we:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of JSSA’s internal control. Accordingly, no such opinion is expressed.

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

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

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

CohnReznick LLP

Holmdel, New Jersey
December 12, 2024

Jewish Social Service Agency and Affiliates

Consolidated Statements of Financial Position
June 30, 2024 and 2023

Assets

	2024	2023
Current assets		
Cash and cash equivalents	$ 1,547,839	$ 1,596,244
Investments, short-term	1,861,057	1,316,409
Contributions and grants receivable	424,134	1,317,207
Accounts and grants receivable, net of allowance for credit losses of $331,321 in 2024 and $124,214 in 2023	2,115,433	2,296,885
Pledges receivable, net of allowance for doubtful accounts of $3,333 in 2024 and $2,500 in 2023	163,334	47,500
Prepaid expenses	310,937	298,797
Total current assets	6,422,734	6,873,042
Investments, long-term	51,714,185	48,358,231
Property and equipment, net	12,010,430	12,302,716
Right-of-use asset-operating lease	657,368	848,353
Long-term pledges receivable, net of allowance for doubtful accounts of $8,981 in 2024 and $4,821 in 2023	170,649	91,609
Deposits	148,858	16,240
Section 457 plan assets	1,141,991	963,571
	$ 72,266,215	$ 69,453,762

Jewish Social Service Agency and Affiliates

Consolidated Statements of Financial Position
June 30, 2024 and 2023

Liabilities and Net Assets

	2024	2023
Current liabilities		
Accounts payable, accrued expenses and other liabilities	$ 3,454,626	$ 2,032,187
Line of credit	1,572,861	2,723,861
Operating lease obligation, current portion	216,928	206,146
Refundable advances	837,359	245,291
Total current liabilities	6,081,774	5,207,485
Operating lease liability, net of current portion	529,956	746,884
Section 457 plan liabilities	1,141,991	963,571
Total liabilities	7,753,721	6,917,940
Net assets		
Without donor restrictions		
Undesignated	10,785,451	12,863,340
Board designated endowment fund	9,551,705	10,164,411
Reserve fund	1,532,647	1,021,298
Total without donor restrictions	21,869,803	24,049,049
With donor restrictions	42,642,691	38,486,773
Total net assets	64,512,494	62,535,822
	$ 72,266,215	$ 69,453,762

See Notes to Consolidated Financial Statements.

Jewish Social Service Agency and Affiliates

Consolidated Statement of Activities and Change in Net Assets
Year Ended June 30, 2024

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

See Notes to Consolidated Financial Statements.

Jewish Social Service Agency and Affiliates

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

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

See Notes to Consolidated Financial Statements.

Jewish Social Service Agency and Affiliates

Consolidated Statement of Functional Expenses
Year Ended June 30, 2024

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

See Notes to Consolidated Financial Statements.

Jewish Social Service Agency and Affiliates

Consolidated Statement of Functional Expenses
Year Ended June 30, 2023

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

See Notes to Consolidated Financial Statements.

Jewish Social Service Agency and Affiliates

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

	2024	2023
Cash flows from operating activities		
Change in net assets	$ 1,976,672	$ 209,074
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation and amortization	717,061	865,997
Donated investments	(90,047)	(396)
Realized and unrealized gain on investments	(4,999,547)	(4,015,378)
Credit losses	242,228	190,606
Discount on pledges receivable	8,467	(2,407)
Endowment contributions	(1,266,078)	(2,169,329)
Contributions and grants received for long-term purposes	(25,000)	-
Amortization of operating lease right-of-use asset	190,985	186,134
Changes in		
Contributions and grants receivable	893,073	(146,109)
Accounts and grants receivable	(55,783)	749,472
Pledges receivable	(208,334)	215,000
Prepaid expenses	(12,140)	(14,802)
Accounts payable, accrued expenses and other liabilities	1,422,439	(663,735)
Operating lease liability	(206,146)	(195,760)
Deposits	(132,618)	-
Refundable advances	592,068	16,425
Net cash used in operating activities	(952,700)	(4,775,208)
Cash flows from investing activities		
Proceeds from sale of investments	11,425,548	9,623,140
Purchases of investments	(10,236,556)	(6,815,527)
Purchases of property and equipment	(424,775)	(255,526)
Net cash provided by investing activities	764,217	2,552,087
Cash flows from financing activities		
Collection of endowment contributions	1,266,078	2,169,329
Collection of contributions and grants received for long-term purposes	25,000	-
Payments on line of credit	(1,151,000)	(875,489)
Net cash provided by financing activities	140,078	1,293,840
Net decrease in cash and cash equivalents	(48,405)	(929,281)
Cash and cash equivalents, beginning of year	1,596,244	2,525,525
Cash and cash equivalents, end of year	$ 1,547,839	$ 1,596,244
Supplementary disclosure of cash flow information		
Cash paid for interest	$ 167,490	$ 166,135
Cash paid for amounts included in the measurement of operating lease liability	$ 226,943	$ 221,408
Right-of-use asset in exchange for operating lease liability	$ -	$ 1,034,487
Noncash investing activity		
Write-off of fully depreciated property and equipment resulting from disposal	$ 52,235	$ -

See Notes to Consolidated Financial Statements.

Note 1 - Organizations and summary of significant accounting policies

Organizations and nature of activities

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

Premier Homecare, Inc. ("Premier"), a private nonprofit provider of nonmedical private-duty home support services, began operations in May 2000 and serves Montgomery County, Maryland. JSSA was the sole sponsor of Premier, which allowed it to exercise control over the Premier Board of Directors. In the event of dissolution of Premier, its net assets would be distributed to JSSA. On October 27, 2020, the Premier Board of Directors voted to apply to transfer Premier's homecare license to JSSA. Premier submitted an application to the Maryland Department of Health, Office of Health Care Quality (OHCQ). On January 1, 2023 Premier transferred the license to JSSA and its services are now performed by JSSA. Premier is a dormant company as of June 30, 2024. JSSA provided human resource, accounting, billing and IT services to Premier and charged a management fee. The fee is calculated based on Premier's pro rata share of JSSA's total cost of the expenses associated with management services, not to exceed 80% of Premier's net income. JSSA had the right to waive all or part of the management fee for periods where Premier's net income and/or net assets were negative. There was no management fee charged for the year ended June 30, 2023. Premier paid $13,769 to JSSA for rental of office space for the year ended June 30, 2023. Additionally, JSSA made contributions to Premier of $18,423 for the year ended June 30, 2023. These amounts were eliminated on the consolidated statements of activities and change in net assets. Premier was a nonprofit organization incorporated in 2000 under the laws of the State of Maryland. Premier also provided homecare aide services on a contractual basis to certain JSSA patients.

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

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

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

Principles of consolidation

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

Basis of accounting

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

Adoption of new accounting principles

On July 1, 2023, JSSA adopted the provisions of FASB ASC Topic 326, *Credit Losses on Financial Instruments*, and its related amendments. 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 credit loss model and adds certain new required disclosures. Under the expected credit 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. Adopting the new standard did not have a material effect on the consolidated financial statements.

Cash and cash equivalents

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

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

Investments

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

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

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

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

Revenue recognition - program service revenue and receivables

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

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

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

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

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

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

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

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

Settlements with third-party payors for retroactive adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing client care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor, and JSSA's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews, and investigations. Adjustments arising from a change in the transaction price were not significant in fiscal year 2024.

During the year ended June 30, 2023, JSSA began undergoing a routine Medicare Targeted Probe and Educate (TPE) audit in the hospice program. Technical assistance was provided to JSSA to enhance compliance with Medicare standards for reimbursement. During the year ended June 30, 2024, JSSA’s own internal compliance review process determined that approximately $450,000 of services rendered would not be submitted for reimbursement. As such, these services are not included in revenue for the year ended June 30, 2024. During the year ended June 30, 2023, JSSA recorded an allowance for credit losses of approximately $200,000 relating to the TPE audit and this amount remains in the allowance for credit losses at June 30, 2024.

Generally, clients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. JSSA also provides services to uninsured clients, and offers those uninsured clients a discount, from standard charges. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to client service revenue in the period of the change. For the year ended June 30, 2024, there was no additional revenue recognized due to changes in its estimates of implicit price concessions, discounts, and contractual adjustments for performance obligations satisfied in prior years. JSSA provides care to these clients who meet certain criteria under its sliding fee discount policy without charge or at amounts less than the established rates. Charity care services are computed using a sliding fee scale based on client income and family size. Based on the cost of client services, charity care for the years ended June 30, 2024 and 2023 amounted to approximately $46,000 and $200,000, respectively. Such amounts determined to qualify as charity care are not reported as revenue.

Receivables are reported net of an allowance for credit losses. Management's estimate of the allowance is based on historical collection experience and a review of the current status of accounts receivable. Receivables that are deemed uncollectible are written off. Subsequent changes that are determined to be the result of an adverse change in the client's ability to pay are recorded as credit loss expense. The beginning balance of the accounts and grants receivable accounts as of July 1, 2022 was $3,247,593.

Revenue recognition - grants and contributions
Unconditional contributions, private and foundation grants, government grants, and unconditional promises to give are measured at their fair value on the date of donation and are reported as support with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. JSSA records conditional grants receivable and related revenue after JSSA overcomes a barrier or hurdle to be entitled to the resource and the resource provider is released from the obligation to fund or has the right of return. Any funding received prior to overcoming the barrier is recognized as a refundable advance. At June 30, 2024 and 2023, JSSA had refundable advances of $837,359 and $245,291, respectively, related to conditional grants. JSSA has executed conditional grants totaling approximately $6,144,729 that have not been recognized as revenue or receivable at June 30, 2024. This amount will be recognized as revenue in subsequent years as the conditions for the grants are met. Uncollectible amounts are charged off against the allowance for doubtful accounts once management determines an account or a portion thereof to be uncollectible. As of June 30, 2024 and 2023, management deemed all grants receivable to be collectible and, as such, no allowance for doubtful accounts has been provided for in these consolidated financial statements. The beginning balance of the contributions and grants receivable accounts as of July 1, 2022 was $1,171,098.

JSSA reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported on the consolidated statements of activities and change in net assets as net assets released from restrictions.

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

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

Property and equipment

JSSA records its property and equipment at cost, or, if donated, at fair value at the date of donation. Depreciation and amortization are recorded on the straight-line basis over the estimated useful lives of the assets, which range from three to 40 years. JSSA capitalizes property and equipment greater than $1,000, and an estimated useful life of greater than one year. Depreciation and amortization expense totaled $717,061 and $865,997 for the years ended June 30, 2024 and 2023, respectively.

Valuation of long-lived assets

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

Leases

JSSA accounts for leases in accordance with the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") Topic 842, *Leases*. Under ASC Topic 842, a lessee determines if an arrangement contains a lease at inception based on whether the lessee has the right to control the asset during the contract period and other facts and circumstances. JSSA has determined that its signed agreement for office space fits the criteria under ASC Topic 842. Under ASC Topic 842, a right-of-use asset and lease obligations are recognized based on the present value of lease payments over the lease term, where the initial term of the lease exceeds twelve months, using an appropriate discount rate. As the rate implicit in the lease is generally not readily determinable, JSSA has elected to use the risk-free rate on their line of credit as the discount rate. The operating obligations are reduced as cash payments are made under the terms of the leases. Interest is charged to occupancy expense for the difference. The lease right-of-use asset is amortized over the lease term and reflected as occupancy expense, as applicable, for the difference in the accompanying consolidated financial statements. Lease expense is recognized on a straight-line basis over the term of the leases. Unless JSSA determines that it is reasonably certain that the term of a lease will be terminated early or extended through a renewal option, the term of a lease spans for the duration of the minimum noncancellable contractual term. There are no residual value guarantees. JSSA has elected and applies the practical expedient available to lessees to combine nonlease components with their related lease components and account for them in a single combined lease component for all its leases.

Concentration of revenue

A substantial amount of JSSA's revenue is received from Medicare as part of JSSA's net program service fees. Approximately 32% and 31% of JSSA's total revenue, excluding investment income, was received from Medicare for the years ended June 30, 2024 and 2023, respectively.

Income taxes

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

JSSA and Premier believe that they have appropriate support for any tax positions taken, and, as such, do not have any uncertain tax positions that are material to the consolidated financial statements. JSSA and Premier recognize penalties and interest related to income taxes on uncertain tax positions in accounts payable, accrued expenses and other liabilities on the consolidated statements of financial position and management and administrative expenses on the consolidated statements of activities and change in net assets. JSSA did not have any unrelated business income for the year ended June 30, 2024. Tax years prior to 2021 for JSSA and Premier are no longer subject to examination by the Internal Revenue Service or the state tax jurisdictions of Maryland, Virginia and the District of Columbia.

Functional allocation of expenses
The costs of providing the various programs and supporting services have been summarized on a functional basis on the consolidated statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services that benefited from such costs. Salaries and benefits are allocated based upon the amount of time spent on each functional activity. Depreciation and amortization expense is allocated based on square footage of JSSA offices. Costs specific to programs or supporting services are applied directly.

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

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

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

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

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

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

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

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

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

Use of estimates

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

Reclassifications

Certain reclassifications have been made to the 2023 amounts to conform with the 2024 presentation.

Subsequent events

JSSA has evaluated events and transactions for potential recognition or disclosure through December 12, 2024, the date the consolidated financial statements were available to be issued. See subsequent event disclosed in Note 14 regarding the letter of credit.

Note 2 - Liquidity and availability of resources

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

The following table reflects JSSA's financial assets as of June 30, 2024 and 2023, reduced by amounts that are not available to meet normal operating expenditures within one year of the consolidated statements of financial position due to board designations, donor restrictions, timing restrictions or contractual obligations. Board designated endowment funds are not intended to be used within the next year and are therefore not included in financial assets available for use within one year of the consolidated financial statements. Amounts not available to meet general expenditures within one year also includes net assets with donor restrictions required to be held in perpetuity.

At June 30, 2024 and 2023, financial assets available to meet the general expenditures within one year of the consolidated financial statements consist of the following:

	2024	2023
Cash and cash equivalents	$ 1,547,839	$ 1,596,244
Investments, short-term	1,861,057	1,316,409
Contributions and grants receivable	424,134	1,317,207
Accounts and grants receivable, net	2,115,433	2,296,885
Pledges receivable, net	333,983	139,109
Investments, long-term	51,714,185	48,358,231
Total financial assets	57,996,631	55,024,085
Less those unavailable for general expenditure within one year		
Long-term pledges receivable, net	(170,649)	(91,609)
Board designated endowment fund, net of budgeted appropriations*	(8,810,806)	(9,364,062)
Donor-restricted endowment funds, net of budgeted appropriations	(40,002,962)	(36,018,960)
Financial assets not available to be used within one year	(48,984,417)	(45,474,631)
Financial assets available to meet general expenditures within one year	$ 9,012,214	$ 9,549,454

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

Financial assets would be used to pay current liabilities as well as regular ongoing operating expenses. Additionally, JSSA maintains a line of credit available for use. JSSA's long-term investments, including the board designated endowment fund, are used as collateral for the line of credit. Board approval is required for draws on the line of credit (see Note 13).

Note 3 - Property and equipment

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

	2024	2023
Land	$ 2,512,911	$ 2,512,911
Cemetery plots	7,200	7,200
Building and building improvements	9,593,101	9,593,101
Leasehold improvements	4,431,541	4,426,845
Furniture and fixtures	862,790	859,581
Equipment and computer software	3,724,894	3,396,778
Automobiles	342,077	305,558
	21,474,514	21,101,974
Less accumulated depreciation and amortization	(9,464,084)	(8,799,258)
Total property and equipment, net	$ 12,010,430	$ 12,302,716

In 2007, JSSA received a $1,639,000 grant from the Department of Health and Mental Hygiene to help in the construction of the Ina Kay headquarters building. This grant represented 23% of the total cost when constructed. This grant has a 30-year Right of Recovery which will expire during fiscal year 2038. The State of Maryland can recover a proportional share of the property fair market value if JSSA does not use the property for the purpose for which the grant was awarded, which is to operate for charitable purposes within its mission. JSSA has no intentions to use the building other than for the purposes within the grant. The net book value at June 30, 2024 and 2023 of the applicable land and building totaled $7,561,513 and $7,849,423, respectively.

During the year ended June 30, 2018, JSSA received a $1,000,000 grant from the State of Maryland Board of Public Works ("BPW") to help with renovation of the Montrose Road building. This grant represented 15% of the total cost when constructed. JSSA is unable to sell, lease, exchange, give away or otherwise transfer or dispose of the property improved with the grant funds unless the BPW gives prior written consent, and the BPW can then recover a percentage of the grant. JSSA has no intentions to vacate the Montrose Road building. The net book value at June 30, 2024 and 2023 of the applicable leasehold improvements totaled $3,750,700 and $3,861,391, respectively.

Note 4 - Investments

Investments consist of the following at June 30, 2024 and 2023:

	2024	2023
U.S. large capitalization exchange-traded funds	$ 13,470,014	$ 12,433,925
U.S. mid capitalization exchange-traded funds	4,070,397	3,848,830
U.S. small capitalization exchange-traded funds	3,531,699	3,367,537
International mutual funds and exchange-traded funds	7,011,737	6,671,848
Emerging markets mutual funds	7,151,703	5,926,156
Fixed income mutual funds	9,331,732	9,153,487
Alternative investment strategies	7,145,903	6,846,052
Cash, money market funds and accrued interest	1,861,057	1,316,409
State of Israel bonds (face value)	1,000	110,396
	53,575,242	49,674,640
Less short-term investments	(1,861,057)	(1,316,409)
Total investments	$ 51,714,185	$ 48,358,231

Investment income consists of the following for the years ended June 30, 2024 and 2023:

	2024	2023
Dividends and interest	$ 1,391,323	$ 1,163,280
Realized and unrealized gain on investments	4,999,547	4,015,378
Investment management fees and taxes	(89,671)	(76,293)
Total investment income	$ 6,301,199	$ 5,102,365

Investments include endowments which had a fair value of $51,592,229 and $48,124,340, at June 30, 2024 and 2023, respectively. See Note 12 for discussion of fair value measurements.

Note 5 - Pledges receivable

Unconditional promises to give that are expected to be collected in less than one year are measured at net realizable value, which approximates fair value. Unconditional promises to give that are expected to be collected beyond one year are measured at fair value using the present value of future collections. The discount factor on those amounts is computed using risk-adjusted interest rates applicable to the years in which the promises were received. Amortization of the discount for the years ended June 30, 2024 and 2023, is included in contributions, bequests and gifts revenue on the consolidated statements of activities and change in net assets. The allowance for doubtful accounts is determined based on a review of the estimated collectability, plus a general provision based on historical loss experience and existing economic conditions. Uncollectible amounts are charged off against the allowances for doubtful accounts once management determines an account, or a portion thereof, to be uncollectible.

Pledges receivable consist of the following at June 30, 2024 and 2023:

	2024	2023
Receivable in less than one year	$ 166,667	$ 50,000
Receivable in one to five years	191,667	100,000
Allowance for doubtful accounts	(12,314)	(7,321)
Total pledges receivable	346,020	142,679
Less unamortized discount to net present value	(12,037)	(3,570)
Net pledges receivable	333,983	139,109
Less current portion, net	163,334	47,500
Long-term pledges receivable, net	$ 170,649	$ 91,609

Pledges receivable due in excess of one year were discounted by $12,037 and $3,570, respectively, at June 30, 2024 and 2023, based on discount rates ranging from approximately 1.5 to 4.2 percent.

Note 6 - Defined-contribution plan

JSSA sponsors a defined-contribution pension plan that covers all employees. There is no minimum age or service requirement for employees to make elective deferrals. Employer matching contributions are made each pay period. Employees will earn a vested year of service upon completing 750 hours of service during the vesting computation period. The employer may choose to make discretionary contributions and/or matching contributions each Plan year. JSSA contributed $126,571 and $246,846 to the plan for the years ended June 30, 2024 and 2023, respectively.

Note 7 - Section 457 plan assets and liabilities

JSSA has a 457(b) plan and a 457(f) plan covering select members of management. The 457(b) plan allows for employee deferrals and employer contributions as allowed under the Internal Revenue Code. Both employee and employer contributions are immediately vested. The 457(f) plan does not allow employee deferrals, but does provide for employer discretionary contributions. Employer contributions vest with the employee based on the date specified by JSSA. Employer contributions totaled $75,368 and $83,291 for the years ended June 30, 2024 and 2023, respectively. Section 457 plan assets and the related liabilities for the plans as of June 30, 2024 and 2023 totaled $1,141,991 and $963,571, respectively, as shown on the consolidated statements of financial position.

Note 8 - Commitments and contingencies

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

Note 9 - Leases

JSSA leases office space in Northern Virginia under a lease that expires on September 30, 2027. The lease contains annual escalations to the base rent and a monthly rent abatement for the first 10 months of the term. Rent expense for the years ended June 30, 2024 and 2023, was $212,517 and $236,680, respectively, and is included in occupancy on the consolidated statements of functional expenses.

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

2025	$	232,616
2026		238,432
2027		244,392
2028		62,366
Subtotal		777,806
Less: Imputed interest		(30,922)
Present value of net minimum lease payments		746,884
Less: current portion		216,928
Long-term lease portion	$	529,956

Other lease information	
Weighted-average annual discount rate - operating	2.42%
Weight-average remaining lease term (years)	3.25

Note 10 - Net assets with donor restrictions

Net assets with donor restrictions are available to support the following programs at June 30, 2024 and 2023:

	2024	2023
Subject to expenditure for specified time and purpose		
Children and families	$ 53,217	$ 73,217
Jewish education loan and scholarship program	150,186	150,136
Support for frail elders	259,934	256,188
Special needs (disabilities)	18,256	20,256
Building fund	15,744	27,047
Hospice	104,830	-
Corpus and expendable portion of the following endowments		
Support for hospice clients	5,925,227	5,510,388
Provide for the needs of children and families	15,214,255	13,550,354
Provide for the transportation needs of clients	927,915	851,749
Adoption services	62,185	58,069
Building maintenance fund	1,046,002	955,245
Provide services to clients with disabilities	1,841,941	1,695,096
Educational testing and advocacy	1,476,037	1,379,689
Support for frail elders	10,913,546	9,649,249
Vocational support services	591,080	552,312
Hospice transition support	257,282	239,848
Volunteer services	186,828	173,779
Jewish community outreach	625,465	578,968
Overall needs	289,405	273,208
Educational scholarships	2,683,356	2,491,975
Total	$ 42,642,691	$ 38,486,773

Note 11 - Endowments

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

Interpretation of relevant law
The Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as enacted into law in Washington, D.C. on January 23, 2008 as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. Consequently, JSSA classifies in perpetuity (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the endowment. The remaining portion of the donor-restricted endowment fund that is not retained in perpetuity is subject

to appropriation for expenditure by JSSA in a manner consistent with the standard of prudence prescribed by UPMIFA.

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

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

Funds with deficiencies
From time to time, the fair value of the assets associated with individual donor-restricted endowments may fall below the level that the donor or UPMIFA requires JSSA to retain as a fund of perpetual duration (underwater endowments). JSSA has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At June 30, 2024, funds with original gift values of $1,004,441, fair values of $852,273 and deficiencies of $152,168 were reported in net assets with donor restrictions. At June 30, 2023, funds with original gift values of $1,010,000, fair values of $955,245 and deficiencies of $54,755 were reported in net assets with donor restrictions.

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

Spending policy
JSSA's Investment Policy Statement allows distributions each year up to 6% of its endowment fund's average market value over the prior three years preceding the fiscal year in which the distribution is planned. In establishing this policy, JSSA considered the long-term expected returns on its endowment investments. Accordingly, over the long-term, JSSA expects the current spending policy will allow its endowments to retain the original fair value of the gift. For the years ended June 30, 2024 and 2023, JSSA's distribution was 5.5%.

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

Endowment net asset composition by type of fund at June 30, 2024 and 2023 are as follows:

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

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

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

	Without donor restrictions	With donor restrictions	Total
Endowment net assets, July 1, 2022	$ 13,685,067	$ 34,293,826	$ 47,978,893
Contributions	100,446	2,004,327	2,104,773
Investment income			
Realized and unrealized gain on investments	1,130,968	2,856,650	3,987,618
Dividends and interest	320,023	805,324	1,125,347
Taxes and fees	(21,535)	(54,228)	(75,763)
Total investment income	1,429,456	3,607,746	5,037,202
Appropriation for expenditure	(5,050,558)	(1,945,970)	(6,996,528)
Endowment net assets, June 30, 2023	10,164,411	37,959,929	48,124,340
Contributions	169,004	1,097,074	1,266,078
Investment income			
Realized and unrealized gain on investments	1,082,278	3,880,703	4,962,981
Dividends and interest	280,102	1,048,718	1,328,820
Taxes and fees	(19,760)	(69,258)	(89,018)
Total investment income	1,342,620	4,860,163	6,202,783
Appropriation for expenditure	(2,124,330)	(1,876,642)	(4,000,972)
Endowment net assets, June 30, 2024	$ 9,551,705	$ 42,040,524	$ 51,592,229

Note 12 - Fair value measurements

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

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

June 30, 2024	Total	Net asset value	Quoted prices in active markets for identical assets/liabilities (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets					
U.S. large capitalization exchange-traded funds	$ 13,470,014	$ -	$ 13,470,014	$ -	$ -
U.S. mid capitalization exchange-traded funds	4,070,397	-	4,070,397	-	-
U.S. small capitalization exchange-traded funds	3,531,699	-	3,531,699	-	-
International mutual funds and exchange-traded funds	7,011,737	-	7,011,737	-	-
Emerging markets mutual funds	7,151,703	-	7,151,703	-	-
Fixed income mutual funds	9,331,732	-	9,331,732	-	-
Alternative investment strategies	7,145,903	7,145,903	-	-	-
Cash, money market funds and accrued interest	1,861,057	-	1,861,057	-	-
Total investments	53,574,242	7,145,903	46,428,339	-	-
Section 457 plan assets	1,141,991	-	1,141,991	-	-
Total assets	$ 54,716,233	$ 7,145,903	$ 47,570,330	$ -	$ -

June 30, 2023	Total	Net asset value	Quoted prices in active markets for identical assets/liabilities (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets					
U.S. large capitalization exchange-traded funds	$ 12,433,925	$ -	$ 12,433,925	$ -	$ -
U.S. mid capitalization exchange-traded funds	3,848,830	-	3,848,830	-	-
U.S. small capitalization exchange-traded funds	3,367,537	-	3,367,537	-	-
International mutual funds and exchange-traded funds	6,671,848	-	6,671,848	-	-
Emerging markets mutual funds	5,926,156	-	5,926,156	-	-
Fixed income mutual funds	9,153,487	-	9,153,487	-	-
Alternative investment strategies	6,846,052	6,507,245	338,807	-	-
Cash, money market funds and accrued interest	1,316,409	-	1,316,409	-	-
Total investments	49,564,244	6,507,245	43,056,999	-	-
Section 457 plan assets	963,571	-	963,571	-	-
Total assets	$ 50,527,815	$ 6,507,245	$ 44,020,570	$ -	$ -

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

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

There are restrictions on redemptions on Alternative Investments valued at NAV. JSSA had invested in a fund that permits redemptions on a monthly basis. Another fund allows for redemptions to be processed by the following business day, while another allows redemptions on a semi-annual basis. There were no unfunded commitments related to the alternative investments as of June 30, 2024 and 2023.

Note 13 - Line of credit

In June 2015, JSSA entered into a portfolio loan agreement and obtained a secured line of credit with no stated expiration date. The amount available for borrowing is based on a portion of the portfolio balance. As of June 30, 2024 and 2023, $8,800,000 was the maximum available for borrowing. The line of credit is callable on demand. The line of credit has a variable Secured Overnight Financing Rate ("SOFR") based interest rate. Interest is to be paid monthly based on the outstanding balance. The line of credit is secured by JSSA's investment holdings in its portfolio held with the lender. Internally, the Board of Directors initially restricted the use of the line of credit to fund the liability associated with the settlement of the defined benefit plan. During the year ended June 30, 2018, the Board of Directors expanded the use of the line of credit to cover cash flow needs related to the capital construction project. During the year ended June 30, 2017, JSSA drew $6,971,017 to fund the settlement of the defined benefit plan and for the year ended June 30, 2018, JSSA drew down $2,675,000, related to the capital construction project. The amount outstanding on the line of credit was $1,572,861 and $2,723,861 at June 30, 2024 and 2023, respectively. Interest expense was $167,490 and $166,135 for the years ended June 30, 2024 and 2023, respectively.

Note 14 - Letter of credit

JSSA had a $175,427 letter of credit for the benefit of the State of Maryland for potential unemployment claims. The letter of credit was secured by deposit accounts maintained with the lender, and other assets, and had an expiration date of October 1, 2024. The letter of credit is due on demand. In September 2024, the letter of credit agreement was amended changing the amount to $184,150, which now expires October 1, 2026.

Note 15 - Holocaust Survivors' Community Fund

During April 2013, the Jewish Federation of Greater Washington (the "Federation") and the Jewish Community Foundation ("JCF") established The Holocaust Survivors' Community Fund (the "Fund") to raise money for the benefit of the Holocaust survivors served by the Jewish Social Service Agency. The Fund is held by JCF, which retains legal control over the Fund. JSSA may request distributions on an as-needed basis, but such requests are subject to approval by the Federation. Because distributions are at the discretion of the Federation, the distributions are recognized in the period that notification of payment is received. Any distributions received by JSSA will be recorded as revenue with donor restrictions by JSSA. JSSA received $7,000 and $450,000 for the years ended June 30, 2024 and 2023, respectively.

Note 16 - In-kind contributions

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

		Year ended June 30,	
		2024	2023
Legal fees	Management and general	$ 117,809	$ 59,140
Other direct costs	Aging in Place	16,802	40,301
		$ 134,611	$ 99,441

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

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