JEWISH FAMILY & CHILDREN'S SERVICES OF NORTHERN NEW JERSEY, INC. AND JEWISH FAMILY SERVICE FOUNDATION, INC.

CONSOLIDATING FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

(WITH CERTAIN SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED JUNE 30, 2023)

JEWISH FAMILY & CHILDREN'S SERVICES OF NORTHERN NEW JERSEY, INC.
AND JEWISH FAMILY SERVICE FOUNDATION, INC.
FOR THE YEAR ENDED JUNE 30, 2024
(WITH CERTAIN SUMMARIZED COMPARATIVE INFORMATION FOR
THE YEAR ENDED JUNE 30, 2023)

Table of Contents

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Jewish Family & Children's Services of Northern New Jersey, Inc. and
Jewish Family Service Foundation, Inc.

Opinion

We have audited the accompanying consolidating financial statements of Jewish Family & Children's Services of Northern New Jersey, Inc. and Jewish Family Service Foundation, Inc., which comprise the consolidating statement of financial position as of June 30, 2024, and the related consolidating statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidating financial statements.

In our opinion, the consolidating financial statements referred to above present fairly, in all material respects, the financial position of Jewish Family & Children's Services of Northern New Jersey, Inc. and Jewish Family Service Foundation, Inc. as of June 30, 2024, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Jewish Family & Children's Services of Northern New Jersey, Inc. and Jewish Family Service Foundation, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

Responsibilities of Management for the Financial Statements (Continued)

In preparing the consolidating financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Jewish Family & Children's Services of Northern New Jersey, Inc. and Jewish Family Service Foundation, Inc.'s ability to continue as a going concern within one year after the date that the consolidating financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidating 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidating financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidating 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 consolidating 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 Jewish Family & Children's Services of Northern New Jersey, Inc. and Jewish Family Service Foundation, Inc.'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 consolidating financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Jewish Family & Children's Services of Northern New Jersey, Inc. and Jewish Family Service Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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

Report on Summarized Comparative Information

We have previously audited Jewish Family & Children's Services of Northern New Jersey, Inc. and Jewish Family Service Foundation, Inc.'s June 30, 2023 consolidating financial statements and we expressed an unmodified audit opinion on those audited consolidating financial statements in our report dated January 23, 2024. In our opinion, the summarized comparative information presented herein for the year ended June 30, 2023, is consistent, in all material respects, with the audited consolidating financial statements from which it has been derived.

Citrin Cooperman & Company, LLP

New York, New York
January 13, 2025

JEWISH FAMILY & CHILDREN'S SERVICES OF NORTHERN NEW JERSEY, INC.
AND JEWISH FAMILY SERVICE FOUNDATION, INC.
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

	2024				2023			
	Jewish Family & Children's Services of Northern New Jersey, Inc.	Jewish Family Service Foundation, Inc.	Eliminations	Consolidated Total	Jewish Family & Children's Services of Northern New Jersey, Inc.	Jewish Family Service Foundation, Inc.	Eliminations	Consolidated Total
ASSETS								
Cash and cash equivalents	$ 137,741	$ -	$ -	$ 137,741	$ 1,103,312	$ -	$ -	$ 1,103,312
Investments	2,470,709	1,370,743	-	3,841,452	1,130,068	1,219,420	-	2,349,488
Accounts receivable, net	70,018	-	-	70,018	65,950	-	-	65,950
Grants receivable	238,315	-	-	238,315	408,885	-	-	408,885
Prepaid expenses and other assets	106,376	-	-	106,376	82,007	-	-	82,007
Cemetery plots	20,198	-	-	20,198	20,198	-	-	20,198
Property and equipment, net	1,401,833	-	-	1,401,833	1,143,165	-	-	1,143,165
Operating leases, right-of-use asset	47,000	-	-	47,000	82,328	-	-	82,328
TOTAL ASSETS	$ 4,492,190	$ 1,370,743	$ -	$ 5,862,933	$ 4,035,913	$ 1,219,420	$ -	$ 5,255,333
LIABILITIES AND NET ASSETS								
Liabilities:								
Accounts payable and accrued expenses	$ 910,873	$ -	$ -	$ 910,873	$ 804,210	$ -	$ -	$ 804,210
Deferred income	423,885	-	-	423,885	298,370	-	-	298,370
Operating lease liabilities	48,170	-	-	48,170	83,363	-	-	83,363
Mortgage payable, net	299,207	-	-	299,207	314,951	-	-	314,951
Total liabilities	1,682,135	-	-	1,682,135	1,500,894	-	-	1,500,894
Commitments and contingencies (Notes 8, 9, 11, and 12)								
Net assets:								
Net assets without donor restriction	2,810,055	1,001,475	-	3,811,530	2,535,019	895,078	-	3,430,097
Net assets with donor restriction:								
Restricted for purpose	-	57,897	-	57,897	-	14,342	-	14,342
Donor-restricted to be held in perpetuity	-	311,371	-	311,371	-	310,000	-	310,000
Total net assets with donor restriction	-	369,268	-	369,268	-	324,342	-	324,342
Total net assets	2,810,055	1,370,743	-	4,180,798	2,535,019	1,219,420	-	3,754,439
TOTAL LIABILITIES AND NET ASSETS	$ 4,492,190	$ 1,370,743	$ -	$ 5,862,933	$ 4,035,913	$ 1,219,420	$ -	$ 5,255,333

See accompanying notes to consolidating financial statements.

JEWISH FAMILY & CHILDREN'S SERVICES OF NORTHERN NEW JERSEY, INC. AND
JEWISH FAMILY SERVICE FOUNDATION, INC.
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR
THE YEAR ENDED JUNE 30, 2023)

		2024							2023
		Jewish Family & Children's Services of Northern New Jersey, Inc.			Jewish Family Service Foundation, Inc.				
		Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total	Consolidated Total	Summarized Comparative Consolidated Total
Public support and other revenue (expense):									
Public support:									
Jewish Federation of Northern New Jersey		$ 902,650	$ -	$ 902,650	$ -	$ -	$ -	$ 902,650	$ 918,791
Grant income		6,993,460	-	6,993,460	-	-	-	6,993,460	6,720,197
Contributions		932,902	-	932,902	-	1,371	1,371	934,273	1,137,518
In-kind contributions		28,312	-	28,312	-	-	-	28,312	745
Special events:									
Special events revenue	$ 437,187								
Less: cost of direct benefits to donors	111,177								
Net special events revenue		326,010	-	326,010	-	-	-	326,010	239,149
Total public support		9,183,334	-	9,183,334	-	1,371	1,371	9,184,705	9,016,400
Other revenue:									
Counseling fees		864,151	-	864,151	-	-	-	864,151	818,570
Program fees - school-based services		1,129,937	-	1,129,937	-	-	-	1,129,937	837,864
Other program fees		162,138	-	162,138	-	-	-	162,138	134,530
Investment income		110,297	-	110,297	106,397	43,555	149,952	260,249	101,948
Other		2,979	-	2,979	-	-	-	2,979	51,859
Other revenue (expense), net		2,269,502	-	2,269,502	106,397	43,555	149,952	2,419,454	1,944,771
Total public support and other revenue (expense)		11,452,836	-	11,452,836	106,397	44,926	151,323	11,604,159	10,961,171

JEWISH FAMILY & CHILDREN'S SERVICES OF NORTHERN NEW JERSEY, INC. AND JEWISH FAMILY SERVICE FOUNDATION, INC.
CONSOLIDATING STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED JUNE 30, 2023)

	2024							2023
	Jewish Family & Children's Services of Northern New Jersey, Inc.			Jewish Family Service Foundation, Inc.				
	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total	Consolidated Total	Summarized Comparative Consolidated Total
Total public support and other revenue (expense) (continued)	$ 11,452,836	$ -	$ 11,452,836	$ 106,397	$ 44,926	$ 151,323	$ 11,604,159	$ 10,961,171
Expenses:								
Program services:								
Family counseling	1,312,047	-	1,312,047	-	-	-	1,312,047	1,159,821
Senior adults	6,317,386	-	6,317,386	-	-	-	6,317,386	5,650,207
School-based services	1,117,455	-	1,117,455	-	-	-	1,117,455	950,868
Basic needs assessment	467,952	-	467,952	-	-	-	467,952	851,791
Total program services	9,214,840	-	9,214,840	-	-	-	9,214,840	8,612,687
Supporting services:								
Management and general	1,331,120	-	1,331,120	-	-	-	1,331,120	1,061,077
Fundraising	631,840	-	631,840	-	-	-	631,840	651,714
Total supporting services	1,962,960	-	1,962,960	-	-	-	1,962,960	1,712,791
Total expenses	11,177,800	-	11,177,800	-	-	-	11,177,800	10,325,478
Other income:								
Employee retention tax credits	-	-	-	-	-	-	-	557,083
Total other income	-	-	-	-	-	-	-	557,083
Change in net assets	275,036	-	275,036	106,397	44,926	151,323	426,359	1,192,776
Net assets - beginning	2,535,019	-	2,535,019	895,078	324,342	1,219,420	3,754,439	2,561,663
NET ASSETS - ENDING	$ 2,810,055	$ -	$ 2,810,055	$ 1,001,475	$ 369,268	$ 1,370,743	$ 4,180,798	$ 3,754,439

See accompanying notes to consolidating financial statements.

JEWISH FAMILY & CHILDREN'S SERVICES OF NORTHERN NEW JERSEY, INC. AND
JEWISH FAMILY SERVICE FOUNDATION, INC.
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR
THE YEAR ENDED JUNE 30, 2023)

	2024												2023
	Jewish Family & Children's Services of Northern New Jersey, Inc.										Jewish Family Service Foundation, Inc.		
	Program Services					Supporting Services							
	Family Counseling	Senior Adults	School-Based Services	Basic Needs Assistance	Program Services Total	Management and General	Fund-raising	Cost of Direct Benefits to Donors	Supporting Services Total	Total Expenses	Total Expenses	Consolidated Total	Summarized Comparative Consolidated Total
Personnel costs:													
Salaries	$ 622,543	$ 671,352	$ 613,630	$ 274,567	$ 2,182,092	$ 629,422	$ 420,818	$ -	$ 1,050,240	$ 3,232,332	$ -	$ 3,232,332	$ 3,104,307
Payroll taxes and employee benefits	126,336	166,187	78,505	61,337	432,365	220,446	134,572	-	355,018	787,383	-	787,383	701,692
Total personnel costs	748,879	837,539	692,135	335,904	2,614,457	849,868	555,390	-	1,405,258	4,019,715	-	4,019,715	3,805,999
Other expenses:													
Professional, counseling and staffing fees	481,686	5,048,241	248,667	8,738	5,787,332	116,018	250	-	116,268	5,903,600	-	5,903,600	5,095,725
Accounting and other fees	-	-	-	163	163	83,242	133	-	83,375	83,538	-	83,538	84,118
Supplies	8,606	2,862	5,958	593	18,019	21,801	1,700	2,015	25,516	43,535	-	43,535	36,427
Assistance to individuals	7,979	53,876	-	65,519	127,374	-	-	-	-	127,374	-	127,374	320,290
Staff travel and development	13,754	37,600	1,640	457	53,451	4,851	630	-	5,481	58,932	-	58,932	54,469
Telephone	1,770	1,053	6,664	505	9,992	33,024	588	-	33,612	43,604	-	43,604	34,593
Postage and shipping	949	3,149	3	10	4,111	2,307	3,108	-	5,415	9,526	-	9,526	8,582
Minor equipment	4,406	1,574	1,132	-	7,112	29,861	1,044	-	30,905	38,017	-	38,017	36,699
Printing and design	90	233	-	45	368	845	22,871	7,210	30,926	31,294	-	31,294	23,735
Advertising and public relations	3,685	-	-	-	3,685	-	20,043	12,404	32,447	36,132	-	36,132	20,949
Food and venue	280	18,764	64,344	31,642	115,030	6,177	910	87,077	94,164	209,194	-	209,194	242,921
Food - KMOW	-	245,096	-	-	245,096	715	-	-	715	245,811	-	245,811	249,462
Dues and conferences	8,845	2,568	871	706	12,990	31,158	9,711	-	40,869	53,859	-	53,859	43,477
Rent	-	12,425	45,000	-	57,425	37,465	-	-	37,465	94,890	-	94,890	88,770
Occupancy	-	11,962	43,322	-	55,284	41,479	-	-	41,479	96,763	-	96,763	99,601
Bad debt expense	-	2,922	-	-	2,922	-	-	-	-	2,922	-	2,922	-
Insurance	11,708	14,254	3,044	10,635	39,641	19,599	6,032	2,471	28,102	67,743	-	67,743	58,607
Interest	-	-	-	-	-	14,031	-	-	14,031	14,031	-	14,031	14,681
Depreciation and amortization	19,410	22,438	4,675	13,035	59,558	36,124	9,350	-	45,474	105,032	-	105,032	93,699
Miscellaneous	-	830	-	-	830	2,555	80	-	2,635	3,465	-	3,465	11,124
Total other expenses	563,168	5,479,847	425,320	132,048	6,600,383	481,252	76,450	111,177	668,879	7,269,262	-	7,269,262	6,617,929
TOTAL EXPENSES	1,312,047	6,317,386	1,117,455	467,952	9,214,840	1,331,120	631,840	111,177	2,074,137	11,288,977	-	11,288,977	10,423,928
Less: expenses deducted directly from revenues:													
Direct donor benefit of fundraising events	-	-	-	-	-	-	-	111,177	111,177	111,177	-	111,177	98,450
TOTAL EXPENSES REPORTED BY FUNCTION ON THE CONSOLIDATING STATEMENT OF ACTIVITIES	$ 1,312,047	$ 6,317,386	$ 1,117,455	$ 467,952	$ 9,214,840	$ 1,331,120	$ 631,840	$ -	$ 1,962,960	$ 11,177,800	$ -	$ 11,177,800	$ 10,325,478

JEWISH FAMILY & CHILDREN'S SERVICES OF NORTHERN NEW JERSEY, INC.
AND JEWISH FAMILY SERVICE FOUNDATION, INC.
CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED JUNE 30, 2023)

	2024			2023
	Jewish Family & Children's Services of Northern New Jersey, Inc.	Jewish Family Service Foundation, Inc.	Consolidated Total	Summarized Comparative Consolidated Total
Cash flows from operating activities:				
Change in net assets	$ 275,036	$ 151,323	$ 426,359	$ 1,192,776
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:				
Employee retention tax credits	-	-	-	(557,083)
Net unrealized loss (gain) on investments	-	(74,130)	(74,130)	(86,251)
Noncash lease expense	135	-	135	1,035
Bad debt expense	2,922	-	2,922	-
Depreciation	105,032	-	105,032	93,699
Amortization of deferred financing costs	786	-	786	785
Changes in assets and liabilities:				
Accounts receivable	(6,990)	-	(6,990)	(154,581)
Grants receivable	170,570	-	170,570	-
Prepaid expenses and other assets	(24,369)	-	(24,369)	(21,460)
Cemetery plots	-	-	-	5,000
Accounts payable and accrued expenses	106,663	-	106,663	124,447
Deferred income	125,515	-	125,515	(942,863)
Net cash provided by (used in) operating activities	755,300	77,193	832,493	(344,496)
Cash flows from investing activities:				
Proceeds from sale/redemption of investments	2,800,000	206,344	3,006,344	131,758
Purchases of investments	(4,140,641)	(283,537)	(4,424,178)	(1,569,491)
Purchase of property and equipment	(363,700)	-	(363,700)	(227,890)
Net cash used in investing activities	(1,704,341)	(77,193)	(1,781,534)	(1,665,623)
Cash flows from financing activities:				
Principal payments of mortgage payable	(16,530)	-	(16,530)	(15,877)
Employee retention tax credits	-	-	-	557,083
Net cash provided by (used in) financing activities	(16,530)	-	(16,530)	541,206
Net decrease in cash and cash equivalents	(965,571)	-	(965,571)	(1,468,913)
Cash and cash equivalents - beginning	1,103,312	-	1,103,312	2,572,225
CASH AND CASH EQUIVALENTS - ENDING	$ 137,741	$ -	$ 137,741	$ 1,103,312
Supplemental disclosures of cash flow information:				
Interest paid	$ 13,245	$ -	$ 13,245	$ 13,901
Supplemental schedules of non-cash activities:				
Operating lease right-of-use assets and lease liabilities recognized in connection with implementation of ASC 842 on July 1, 2022	$ -	$ -	$ -	125,442

See accompanying notes to consolidating financial statements.

NOTE 1. NATURE OF ORGANIZATION

Jewish Family Services, Inc. ("JFS") was organized on December 4, 1978. Effective January 1, 2017, Jewish Family Service of North Jersey, Inc., with offices in Fair Lawn and Wayne, merged with JFS, which is the surviving organization, to form Jewish Family & Children's Services of Northern New Jersey, Inc. ("JFCSNNJ").

Jewish Family Service Foundation, Inc. ("JFSF") was organized in 2009 as a not-for-profit organization under the laws of the state of New Jersey and began operations in 2012 with the sole purpose of raising funds to support JFCSNNJ. During the year ended June 30, 2024, JFSF filed for a name change to Jewish Family & Children's Services of Northern New Jersey Endowment, Inc. The request was approved by the State of New Jersey in August 2024.

The JFCSNNJ mission statement reads:

> Based on Jewish tradition and values, JFCSNNJ's mission is to strengthen and enhance the well-being of all who call upon us by providing professional and compassionate human services to effectively meet life's many challenges.

JFCSNNJ fulfills its mission by focusing its efforts in the below programs:

Family Counseling

To provide weekly outpatient therapy for family members facing various challenges.

Senior Adults

To provide including in-home assessments, care management, Kosher Meals-on-Wheels, caregiver support and emergency assistance for seniors and their caregivers.

School-Based Services

To provide after-school programming in various school districts.

Basic Needs Assessment

To provide outreach and needs assessment, as well as information and referral, food pantry, emergency assistance and case management.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

The accompanying consolidating financial statements include the accounts of JFCSNNJ and JFSF (collectively referred to as the "Organization"). The financial statements have been consolidated because JFCSNNJ maintains an economic interest in, and control of, JFSF through common board membership and the ability to elect JFSF board members. All significant intercompany accounts and transactions have been eliminated in consolidation.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Summarized comparative information

The consolidating financial statements include certain prior-year summarized comparative information in total but not by net asset, functional classification, or by entity. Such information does not include sufficient detail to constitute a presentation of consolidating financial statements in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's consolidating financial statements for the year ended June 30, 2023, from which this summarized information was derived.

Financial statement presentation

The accompanying consolidating 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"), which requires the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets with Donor Restrictions - Net assets subject to donor-imposed restrictions. The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidating statements of activities as net assets released from restrictions.

Fair value measurements

The Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, *Fair Value Measurement*, establishes a framework for measuring fair value. That 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 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Categorization within the valuation hierarchy is based upon the lowest level of 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. Under this standard, fair value is defined as the exit price, or the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value measurements (continued)
The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 - inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 - inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical 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 Organization has no Level 3 investments.

During the years ended June 30, 2024 and 2023, there were no transfers between levels of the fair value hierarchy.

Use of estimates
The preparation of consolidating 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 dates of the consolidating financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Cash and cash equivalents
Cash and cash equivalents consist primarily of cash on deposit and money market accounts that are readily convertible into cash. The Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Investments
Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for a discussion of fair value measurements.

Investment transactions are recorded on a trade-date basis. Unrealized gains and losses represent the net change in the carrying value of securities owned as of the date of the consolidating statement of financial position. Realized gains and losses on investments are determined using the specific-identification method. Earnings from dividends are recognized on the ex-dividend date.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts receivable

The Organization assesses collectibility of accounts receivable by reviewing the assets on a collective basis where similar risk characteristics exist. In determining the amount of the allowance for current expected credit losses, management considers historical collectibility and makes judgments about the creditworthiness of the pool of customers based on credit evaluations. Current market conditions and reasonable and supportable forecasts of future economic conditions adjust the historical losses to determine the appropriate allowance for current expected credit losses. Uncollectible accounts are written off when all collection efforts have been exhausted.

Under the prior accounting rules, the Organization evaluated the following factors when determining the collectibility of specific customer accounts: customer creditworthiness, past transaction history with the customer, current economic industry trends, and changes in customer payment terms.

The allowance for current expected credit losses was immaterial at June 30, 2024 and 2023.

Grants receivable

Grants receivable are stated at the amount management expects to collect from outstanding balances. Management evaluates such receivables and establishes an allowance for doubtful accounts based on a history of write-offs and collections and current credit conditions. At June 30, 2024 and 2023, the Organization determined that no allowance for doubtful accounts is required for grants receivable.

Property and equipment

Property and equipment are stated at cost if acquired or at their fair values at the date of donation. Maintenance and repairs are charged to operations when incurred. Expenditures that increase the value or significantly extend the lives of assets with a cost of $5,000 or more are capitalized. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, which range from five to 10 years for furniture and equipment and 10 to 30 years for building and improvements. When property and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations.

Impairment of long-lived assets

The Organization reviews the long-lived assets held and used by the Organization, which consist of property and equipment and the operating leases right-of-use assets, for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent the carrying value exceeds the fair value of the asset. There were no asset impairment charges during the years ended June 30, 2024 and 2023.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

The Organization has operating lease agreements for certain office space and programming space expiring through 2025. The Organization determines if an arrangement is a lease at the inception of the contract. At the lease commencement date, each lease is evaluated to determine whether it will be classified as an operating or finance lease. For leases with a lease term of 12 months or less (a "short-term" lease), any fixed lease payments are recognized on a straight-line basis over such term, and are not recognized on the consolidating statements of financial position.

Lease terms include the noncancellable portion of the underlying leases along with any reasonably certain lease periods associated with available renewal periods, termination options and purchase options. The Organization has lease agreements with lease and non-lease components, which are generally accounted for separately with amounts allocated to the lease and non-lease components based on stand-alone prices. The Organization uses the risk-free discount rate when the rate implicit in the lease is not readily determinable at the commencement date in determining the present value of lease payments. The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Debt issuance costs

Debt issuance costs, net of accumulated amortization, are reported as a direct reduction of the debt obligation to which such costs relate. Amortization of debt issuance costs is reported as a component of interest expense and is computed on the straight-line method, which approximates the effective interest method. For each of the years ended June 30, 2024 and 2023, amortization of deferred financing costs of $786 was incurred and is included in "Interest" in the accompanying consolidating statements of functional expenses.

Revenue and support recognition

The Organization derives revenue and support primarily from grants, contributions, and program and counseling fees. Revenue is reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor restrictions or by law. Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from donor restrictions.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and support recognition (continued)

Program income and counseling fees

Under ASC Topic 606, *Revenue from Contracts with Customers* ("Topic 606"), revenue is measured based on the consideration specified in a contract with a customer, and excludes any amounts collected on behalf of third parties. The Organization recognizes revenue when it satisfies a performance obligation by transferring control over a service to a customer. The majority of the Organization's services are treated as a single performance obligation that is satisfied as the services are rendered. The Organization determines the transaction price based on contractually agreed-upon rates, adjusted for any variable consideration.

School-based program services are offered by the Organization throughout the course of the school year and the revenue is recognized over the period of time the service is rendered. Payments for school-based program services received in advance are deferred until the related services have been performed. The Organization determines transaction prices for school-based program services based on contractually agreed-upon rates per the program contracts.

Other program services and counseling are offered as needed through the fiscal year and the revenue is recognized at the point in time the service is rendered. Payments for other program services and counseling received in advance are deferred until the related services has been performed. The Organization determines transaction prices for other program services and counseling based on contractually agreed-upon rates per the agreements.

Fundraising events revenue consists of ticket sales and sponsorship fees. Ticket sales are recognized as revenue at the time the event takes place. Sponsorship fees are recognized as revenue at the time the event for which the sponsorship fees relate takes place. Payments for ticket sales or sponsorship fees received in advance are deferred to the applicable period in which the related event takes place. The Organization determines transaction price for ticket sales and sponsorship fees based on contractually agreed-upon rates per event or sponsorship.

The Organization believes that these methods for recognizing revenue provide a faithful depiction of the transfer of goods and services over the term of the performance obligation based on the inputs needed to satisfy the obligation.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and support recognition (continued)

Grants

A portion of the Organization's revenue is derived from grants, including a grant from Jewish Federation of Northern New Jersey ("JFNNJ"), some of which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when expenditures in compliance with specific contract or grant provisions have been incurred. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the accompanying consolidating statements of financial position. As of June 30, 2024 and 2023, $423,885 and $296,271, respectively, have been received by JFCSNNJ in advance under these grants and recorded as a component of "Deferred income" in the accompanying consolidating statements of financial position.

Contributions

Contributions, including unconditional promises to give, are recognized at fair value as revenues in the period received. Conditional promises to give are not recognized until they become unconditional; that is, at the time when the conditions on which they depend are substantially met. Contributions to be received after one year are discounted at an appropriate discount rate that is commensurate with the risks involved, if any.

Donations-in-kind

Donations of noncash assets are recorded at their fair values at the date received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, and are provided by individuals possessing those skills, are recorded at their fair values in the period received.

Functional allocation of expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the accompanying consolidating statements of activities and functional expenses. Accordingly, certain costs have been allocated among the program and supporting services in reasonable amounts and ratios determined by management. Management and general expenses include costs indirectly related to the Organization's purpose or mission, such as back-office accounting and office and personnel administration. Fundraising expenses include costs incurred in connection with solicitation activities undertaken by the Organization.

The expenses that are allocated include the following:

Expense	Method of Allocation
Salaries	Time and effort
Payroll taxes and employee benefits	Time and effort
Rent	Square footage occupied
Occupancy	Square footage occupied
Depreciation and amortization	Square footage occupied

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising

Advertising costs are expensed as incurred and aggregated $23,728 and $20,949 for JFCSNNJ for the years ended June 30, 2024 and 2023, respectively.

Income taxes

JFCSNNJ and JFSF qualify as tax-exempt, not-for-profit organizations under Section 501(c)(3) of the Internal Revenue Code (the "IRC"). As a not-for-profit entity, the Organization is subject to unrelated business income tax, if applicable.

The Organization recognizes and measures its unrecognized tax benefits in accordance with FASB ASC 740, *Income Taxes*. Under that guidance, the Organization assesses the likelihood, based on their technical merit, that tax positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available or when an event occurs that requires a change.

Management has evaluated the Organization's tax positions and believes that the Organization has taken no uncertain tax positions that require adjustment to the accompanying consolidating financial statements.

Reclassifications

Certain amounts in the June 30, 2023 consolidating financial statements have been reclassified to conform to the current-year presentation. Total assets, liabilities, net assets, and change in net assets are unchanged due to these reclassifications.

Recently adopted accounting pronouncements

In June 2016, FASB issued ASU No. 2016-13, *Financial Instruments - Credit Losses (Topic 326)* ("ASU 2016-13"), which requires entities to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. This guidance replaces the existing incurred loss model and is applicable to the measurement of credit losses on financial assets measured at amortized cost.

The Organization's financial instruments consist of certain accounts receivable. The expected credit losses are adjusted each period for changes in expected lifetime credit losses.

The Organization adopted ASU 2016-13 using the modified retrospective method on July 1, 2023, and it did not have a material impact on the consolidating financial statements.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent events

In accordance with FASB ASC 855, *Subsequent Events*, the Organization has evaluated subsequent events through January 13, 2025, the date that these consolidating financial statements were available for issuance. Based on this evaluation, except as disclosed in Notes 1 and 11, there were no material subsequent events that required recognition or additional disclosure in these consolidating financial statements.

NOTE 3. CONCENTRATIONS AND CREDIT RISK

Credit risk

The Organization maintains cash balances with financial institutions which were routinely in excess of federal insurance limits during the years ended June 30, 2024 and 2023. The Organization has not experienced any losses in these accounts, and management does not believe the Organization is exposed to any significant credit risks with respect to cash.

Receivables, revenues and support

Revenue from Conference on Jewish Material Claims Against Germany, Inc. accounted for 46% and 43% of total public support and other revenue for JFCSNNJ during the years ended June 30, 2024 and 2023, respectively.

One donor comprised 100% and 95% of JFSF contributions for the years ended June 30, 2024 and June 30, 2023, respectively.

As of June 30, 2024, the JFNNJ grant, the NJ Holocaust Grant, and the Conference on Jewish Material Claims Against Germany, Inc accounted for 35%, 27% and 35%, respectively, of total grants receivable for JFCSNNJ.

As of June 30, 2023, the JFNNJ grant and Conference on Jewish Material Claims Against Germany, Inc accounted for 28% and 61%, respectively, of total grants receivable for JFCSNNJ.

NOTE 4. FAIR VALUE MEASUREMENTS

Assets and liabilities measured at fair value are based on one or more of three valuation techniques identified in the tables below. The valuation techniques are as follows:

a) *Market approach*. Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;

b) *Cost approach*. Amount that would be required to replace the service capacity of an asset (replacement cost); and

c) *Income approach*. Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques, option-pricing and excess earnings models).

NOTE 4. FAIR VALUE MEASUREMENTS (CONTINUED)

The following tables present the investments measured at fair value by level at June 30, 2024 and 2023:

Description	Total at June 30, 2024	Level 1	Level 2	Level 3	Valuation Technique
Jewish Family & Children's Services of Northern New Jersey, Inc.:					
Assets in fair value hierarchy:					
Mutual funds	$ 2,470,709	$ 2,470,709	$ -	$ -	(a)
Jewish Family Service Foundation, Inc.:					
Investments measured at net asset value *	$ 1,370,743				
Consolidated:					
Assets in fair value hierarchy:					
Mutual funds	$ 2,470,709	$ 2,470,709	$ -	$ -	(a)
Investments measured at net asset value *	1,370,743				
Total investments at fair value	$ 3,841,452				

Description	Total at June 30, 2023	Level 1	Level 2	Level 3	Valuation Technique
Jewish Family & Children's Services of Northern New Jersey, Inc.:					
Assets in fair value hierarchy:					
Mutual funds	$ 1,130,068	$ 1,130,068	$ -	$ -	(b)
Jewish Family Service Foundation, Inc.:					
Assets in fair value hierarchy:					
Money market funds	$ 197,472	$ 197,472	$ -	$ -	(a)
Investments measured at net asset value *	1,021,948				
Total investments at fair value	$ 1,219,420				
Consolidated:					
Assets in fair value hierarchy:					
Mutual funds	$ 1,130,068	$ 1,130,068	$ -	$ -	(b)
Money market funds	197,472	197,472	-	-	(a)
Total investments in fair value hierarchy	1,327,540	$ 1,327,540	$ -	$ -	
Investments measured at net asset value *	1,021,948				
Total investments at fair value	$ 2,349,488				

NOTE 4. FAIR VALUE MEASUREMENTS (CONTINUED)

* Pooled investment accounts

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

Money market funds - the fair value is based on original cost plus accrued interest, which approximates fair value.

Mutual funds - the fair value is based on quoted net asset value obtained from the closing price reported in the active market where it is traded.

International bonds - stated at the purchase price plus accrued interest-to-date, which approximates fair value.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with those of other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Net asset value per share

	Fair Value	Unfunded Commitments	Redemption Frequency	Other Redemption Restrictions	Redemption Notice Period
JFNNJ - Pooled Investment Account at June 30, 2024	$ 1,370,743	$ -	Monthly	None	30 days

	Fair Value	Unfunded Commitments	Redemption Frequency	Other Redemption Restrictions	Redemption Notice Period
JFNNJ - Pooled Investment Account at June 30, 2023	$ 1,021,948	$ -	Monthly	None	30 days

The JFNNJ pooled investment account is valued at JFCSNNJ's share of the investments of the JFNNJ pooled investments as reported by JFNNJ and its investment managers and advisors. The methods and procedures used to value these investments may include but are not limited to: (1) performing comparisons with prices of comparable or similar securities; (2) obtaining valuation-related information from issuers; and/or (3) other analytical data relating to the investment and using other available indications of value, absent readily available market values.

NOTE 5. PROPERTY AND EQUIPMENT

The following is an analysis of JFCSNNJ's property and equipment as of June 30, 2024 and 2023:

	2024		
	Cost	Accumulated Depreciation	Net
Land	$ 536,700	$ -	$ 536,700
Automobiles	38,887	(19,443)	19,444
Building and improvements	1,696,233	(933,549)	762,684
Software	152,394	(141,672)	10,722
Furniture and equipment	202,993	(130,710)	72,283
	$ 2,627,207	$ (1,225,374)	$ 1,401,833

	2023		
	Cost	Accumulated Depreciation	Net
Land	$ 536,700	$ -	$ 536,700
Automobiles	38,887	(13,888)	24,999
Building and improvements	1,388,542	(868,194)	520,348
Software	152,394	(120,469)	31,925
Furniture and equipment	146,984	(117,791)	29,193
	$ 2,263,507	$ (1,120,342)	$ 1,143,165

Depreciation and amortization expense for the years ended June 30, 2024 and 2023, was $105,032 and $93,699, respectively.

NOTE 6. LIQUIDITY AND AVAILABILITY

The Organization typically receives grants and contracts with donor restrictions and contributions without donor restrictions. Contributions received with donor restrictions are to be used in accordance with the associated purpose restrictions. Typically, restrictions are released during the year received.

NOTE 6. LIQUIDITY AND AVAILABILITY (CONTINUED)

The table below presents financial assets available for general expenditures as of June 30, 2024 and 2023:

	2024		
	JFCSNNJ	JFSF	Consolidated Total
Financial assets at year end:			
Cash and cash equivalents	$ 137,741	$ -	$ 137,741
Investments	2,470,709	1,370,743	3,841,452
Accounts receivable	70,018	-	70,018
Grants receivable	238,315	-	238,315
Total financial assets available	2,916,783	1,370,743	4,287,526
Less assets unavailable for general expenditures:			
Donor-restricted net assets	-	369,268	369,268
Financial assets available to meet general expenditures within one year	$ 2,916,783	$ 1,001,475	$ 3,918,258

	2023		
	JFCSNNJ	JFSF	Consolidated Total
Financial assets at year end:			
Cash and cash equivalents	$ 1,103,312	$ -	$ 1,103,312
Investments	1,130,068	1,219,420	2,349,488
Accounts receivable	65,950	-	65,950
Grants receivable	408,885	-	408,885
Total financial assets available	2,708,215	1,219,420	3,927,635
Less assets unavailable for general expenditures:			
Donor-restricted net assets	-	324,342	324,342
Financial assets available to meet general expenditures within one year	$ 2,708,215	$ 895,078	$ 3,603,293

As part of the Organization's liquidity management, it has a goal to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

NOTE 7. NET ASSETS

The Organization's net assets with donor restrictions are available to satisfy the following purposes as of June 30, 2024 and 2023:

	2024	2023
Jewish Family & Children's Services of Northern New Jersey, Inc.:		
	$ -	$ -
Jewish Family Service Foundation, Inc.:		
Earnings from endowment, subject to endowment spending policy and appropriation	$ 57,897	$ 14,342

The Organization's net assets required to be held in perpetuity with donor restrictions at June 30, 2024 and 2023, are restricted for the following purposes:

	2024	2023
Jewish Family & Children's Services of Northern New Jersey, Inc.:		
	$ -	$ -
Jewish Family Service Foundation, Inc.:		
Mental health services	$ 90,000	$ 90,000
Programs and services	221,371	220,000
	$ 311,371	$ 310,000

NOTE 8. MORTGAGE PAYABLE

In September 2017, JFCSNNJ entered into a 10-year mortgage agreement with a financial institution in the amount of $400,000 which bears interest at the rate of 4.19% per annum. The loan is secured by the building located in Teaneck, New Jersey, and is due with a balloon principal payment of $243,818 on October 10, 2027. A secured line of credit for a maximum amount of $250,000 was also granted to JFCSNNJ. Borrowings under this line of credit bear interest at the rate of Prime (8.50% and 8.25% at June 30, 2024 and 2023, respectively) plus 1% per annum. There was no outstanding balance on this line of credit at June 30, 2024 and 2023.

Principal payments due in the next five years and thereafter at June 30, 2024, are as follows:

Year ending June 30:	Amount
2025	$ 17,272
2026	18,020
2027	18,800
2028	247,667
	301,759
Less: unamortized deferred financing costs	2,552
	$ 299,207

NOTE 8. MORTGAGE PAYABLE (CONTINUED)

Interest expense amounted to $13,245 and $13,896 for the years ended June 30, 2024 and 2023, respectively.

NOTE 9. ENDOWMENT

On April 13, 2021, JFSF received a donor-restricted contribution to be used for the establishment of a permanent endowment fund to provide funding for mental health services provided by the Organization.

On November 8, 2022, JFSF received a donor-restricted contribution to be used for the establishment of a permanent endowment fund to support the programs and services of the Organization.

On December 1, 2022, JFSF received a donor-restricted contribution to be used for the establishment of a permanent endowment fund to support the programs and services of the Organization.

These deposits, collectively referred to as the Endowment, have been established in three individual funds. In accordance with U.S. GAAP, net assets associated with Endowment is classified and reported based on the existence or absence of donor-imposed stipulations.

The board of trustees has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At June 30, 2024, there were no such donor stipulations. As a result of this interpretation, JFSF will retain in perpetuity (a) the original value of the initial and subsequent gift amounts, including promises to give net of discount and allowance for doubtful accounts donated to the Endowment and (b) any accumulations to the Endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added.

Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by JFSF in a manner consistent with the standard of prudence prescribed by UPMIFA.

The Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted Endowment funds:

- The duration and preservation of the Endowment fund
- The purposes of the Organization and the donor-restricted Endowment fund
- General economic conditions, including possible effects of inflation (deflation)
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

NOTE 9. ENDOWMENT (CONTINUED)

As of June 30, 2024 and 2023, JFSF had the following Endowment net asset composition by type of fund:

	Without Donor Restriction	With Donor Restriction	Total
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	$ -	$ 311,371	$ 311,371
Accumulated gains and other	-	57,897	57,897
Total funds	$ -	$ 369,268	$ 369,268
Balance at July 1, 2022	$ -	$ 87,625	$ 87,625
Contributions	-	210,000	-
Earnings through June 30, 2023 on donor-restricted gift amount	-	26,717	26,717
Balance at June 30, 2023	-	324,342	114,342
Contributions	-	1,371	1,371
Earnings through June 30, 2024 on donor-restricted gift amounts	-	43,555	43,555
Balance at June 30, 2024	$ -	$ 369,268	$ 159,268

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law ("Underwater Endowments"). The Organization has interpreted UPMIFA to permit spending from Underwater Endowments in accordance with prudent measures required under law. At June 30, 2024 and 2023, the Organization did not have any Underwater Endowments.

Investment and spending policies

The Organization has adopted investment and spending policies for the Endowment that attempt to provide a predictable stream of funding for operations while seeking to maintain the purchasing power of the endowment assets. Over time, long-term rates of return should be equal to an amount sufficient to maintain the purchasing power of the Endowment assets, to provide the necessary capital to fund the spending policy, and to cover the costs of managing the Endowment investments. The target minimum rate of return is 5%. Actual returns in any given year may vary from this amount. To satisfy this long-term rate-of-return objective, the investment portfolio is structured on a total-return approach through which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). A significant portion of the funds are invested to seek growth of principal over time.

NOTE 9. ENDOWMENT (CONTINUED)

Investment and spending policies (continued)

The Organization will determine the maximum amount to spend from the Endowment. The amount that will be spent is adjusted from time to time by the board of directors and is applied to the average fair value of the Endowment investments for the prior 12 months at June 30 of each year to determine the spending amount for the upcoming year. As of June 30, 2024, the Organization is still determining the spending rate. In establishing this policy, the Organization is considering the long-term expected return on the Endowment and will set the rate with the objective of maintaining the purchasing power of the Endowment over time.

NOTE 10. EMPLOYEE SAVINGS PLAN

JFCSNNJ sponsors a 403(b) plan covering substantially all of its full-time employees. Under the plan, employees can elect to defer a percentage of their salary, subject to IRC limits, and JFCSNNJ may elect to make a discretionary contribution. JFCSNNJ made discretionary contributions in the amount of $168,723 and $119,223 for the years ended June 30, 2024 and 2023, respectively.

NOTE 11. OPERATING LEASES

JFCSNNJ leases office space in Wayne, New Jersey. The lease was for five years beginning August 1, 2019. In March 2022, the Organization signed an extension agreement to extend the lease for an additional three years through August 31, 2025. In addition, the Organization leases school space in Fort Lee, Edgewater, Bayonne, and Palisades Park, New Jersey, for school-based services. The leases are 12 months or less and are eligible for renewal annually with the respective school districts, some of which are and some of which are not. The Organization leases kitchen space for its program services. The kitchen lease was effective for a one-year period beginning January 1, 2022 and was subsequently renewed for one-year periods with the last renewal's maturity set at December 31, 2025.

Total operating lease expense was $94,890 and $88,770 for the years ended June 30, 2024 and 2023, respectively.

Maturities of operating lease liabilities as of June 30, 2024, are as follows:

Year ending June 30:	Amount
2025	$ 42,510
2026	6,366
Net minimum lease payments	48,876
Less: interest	706
Present value of lease liabilities	48,170
Less: current portion	42,510
Lease liabilities, net of current portion	$ 5,660

NOTE 11. OPERATING LEASES (CONTINUED)

Supplemental cash flow information related to operating leases for the years ended June 30, 2024 and 2023, was as follows:

	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows used for operating leases	$ 45,900	$ 45,000
Weighted-average remaining lease term (in years):		
Operating leases	1.10	2.08
Weighted-average discount rate (%):		
Operating leases	2.85	2.85

NOTE 12. CONTINGENCIES

Revenue from cost-reimbursement grants are subject to audits and possible adjustments by the funding agencies. The effects of any such adjustments are recorded when reasonably determinable. Management believes that the effect of audit adjustments, if any, will not have a material effect on the accompanying consolidating financial statements.

NOTE 13. EMPLOYEE RETENTION TAX CREDITS

The Employee Retention Tax Credit ("ERTC"), as it existed under the CARES Act, was not available to organizations that received a Paycheck Protection Program ("PPP") loan. Provisions in the Consolidated Appropriations Act of 2021 ("CAA"), which was signed into law on December 27, 2020, removed this restriction and allowed organizations that qualify for the ERTC to retroactively apply for the ERTC so long as the same wages are not used for both PPP loan forgiveness and the ERTC. Management has determined that it is probable that the Organization meets all the conditions to qualify for the ERTC. During the year ended June 30, 2022, the Organization submitted amended quarterly payroll tax returns claiming to recover approximately $780,000 in ERTCs. However, there can be no assurances that the Organization will ultimately meet the conditions of the ERTC or realize the amount of the credits claimed, in whole or in part. The Organization received total ERTC funds of $- and $557,083 during the years ended June 30, 2024 and 2023, respectively, and has recorded these funds in the accompanying consolidating statement of activities as "Employee retention tax credits."