Helping All Seniors Thrive®

JEWISH COUNCIL FOR THE AGING OF GREATER WASHINGTON, INC.

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED JUNE 30, 2024

CERINI & ASSOCIATES LLP
CERTIFIED PUBLIC ACCOUNTANTS

Connected to your business goals success

JEWISH COUNCIL FOR THE AGING OF GREATER WASHINGTON, INC.

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FOR THE YEAR ENDED JUNE 30, 2024
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CERINI & ASSOCIATES LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Jewish Council for the Aging of Greater Washington, Inc.
Rockville, Maryland

Opinion

We have audited the financial statements of Jewish Council for the Aging of Greater Washington, Inc. (hereinafter "JCA"), a not-for-profit corporation), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of JCA as of June 30, 2024, and the changes in its net assets and its 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 ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of JCA 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 financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Cerini & Associates, LLP • 3340 Veterans Memorial Highway • Bohemia, NY 11716
phone 631.582.1600 • fax 631.582.1714 • www.ceriniandassociates.com

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2025 on our consideration of JCA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering JCA's internal control over financial reporting and compliance.

Cerini & Associates LLP

Bohemia, New York
March 31, 2025

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024

ASSETS	
Current Assets:	
Cash and cash equivalents	$ 95,274
Accounts receivable	37,826
Grants receivable	399,917
Current portion of pledges receivable	33,040
Prepaid expenses and other current assets	73,711
TOTAL CURRENT ASSETS	639,768
Endowment investments	1,834,857
Pledges receivable, net of current portion and present value discount	57,150
Property and equipment, net of accumulated depreciation	5,288,593
Beneficial interest in a trust	96,484
TOTAL ASSETS	$ 7,916,852
LIABILITIES AND NET ASSETS	
Current Liabilities:	
Accounts payable and accrued expenses	$ 339,044
Accrued salaries and related benefits	326,780
Current portion of note payable, net of unamortized refinancing cost	69,149
TOTAL CURRENT LIABILITIES	734,973
Line of credit	399,800
Note payable, net of current portion and unamortized refinancing cost	3,908,214
Security deposits	17,480
TOTAL LIABILITIES	5,060,467
Net Assets:	
Without donor restrictions:	
Undesignated	837,672
Board designated endowment funds	300
TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS	837,972
With donor restrictions	2,018,413
TOTAL NET ASSETS	2,856,385
TOTAL LIABILITIES AND NET ASSETS	$ 7,916,852

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT:			
Program service fees	$ 208,756	$ -	$ 208,756
Transportation service income	1,236,412	-	1,236,412
Contributions	649,866	91,560	741,426
Grants	3,290,907	-	3,290,907
Donated facilities and services	524,383	-	524,383
Rental income	118,925	-	118,925
Productive aging education program	18,775	-	18,775
Other income	95,961	-	95,961
Investment income	19,361	173,036	192,397
Net assets released from restrictions	212,933	(212,933)	-
TOTAL REVENUE AND SUPPORT	6,376,279	51,663	6,427,942
EXPENSES:			
Program Services:			
Transportation services	1,748,565	-	1,748,565
Senior employment services	1,629,375	-	1,629,375
Intergenerational programs	703,282	-	703,282
Information education outreach	543,883	-	543,883
Adult day programs	504,414	-	504,414
TOTAL PROGRAM SERVICES	5,129,519	-	5,129,519
Supporting Services:			
Management and general	1,146,487	-	1,146,487
Fundraising	554,047	-	554,047
TOTAL SUPPORTING SERVICES	1,700,534	-	1,700,534
TOTAL EXPENSES	6,830,053	-	6,830,053
CHANGE IN NET ASSETS	(453,774)	51,663	(402,111)
Net assets, beginning of year	1,291,746	1,966,750	3,258,496
Net assets, end of year	$ 837,972	$ 2,018,413	$ 2,856,385

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	Program Services						Supporting Services			
	Transportation Services	Senior Employment Services	Intergenerational Programs	Information Education Outreach	Adult Day Programs	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Salaries	$ 862,941	$ 283,451	$ 328,299	$ 282,003	$ 276,327	$ 2,033,021	$ 513,675	$ 336,671	$ 850,346	$ 2,883,367
Payroll taxes and fringe benefits	139,942	48,676	73,815	63,583	38,002	364,018	126,778	48,146	174,924	538,942
Participant salaries	-	712,478	-	-	-	712,478	-	-	-	712,478
Participant payroll taxes and benefits	-	59,864	-	-	-	59,864	-	-	-	59,864
Participant costs	268,371	56,382	10,050	4,323	18,811	357,937	88	7,643	7,731	365,668
Fleet operations	121,890	-	-	-	-	121,890	-	-	-	121,890
Telephone	10,984	4,424	4,367	3,982	3,527	27,284	9,587	4,270	13,857	41,141
Office supplies	4,013	1,844	670	1,798	2,602	10,927	1,746	3,666	5,412	16,339
Postage and delivery	1,669	2,725	321	4,180	342	9,237	1,385	3,316	4,701	13,938
Advertising and promotion	22,820	17,991	117	63,744	661	105,333	181	2,621	2,802	108,135
Printing and copying	17,788	16,635	779	30,301	2,687	68,190	1,667	28,909	30,576	98,766
Rent	-	6,285	-	-	-	6,285	-	-	-	6,285
Rental equipment	96	54	62	7,259	39	7,510	336	46	382	7,892
Equipment maintenance and repair	7,839	3,754	4,313	3,640	2,962	22,508	19,178	3,480	22,658	45,166
Insurance	99,687	3,865	4,463	3,778	4,662	116,455	11,898	4,201	16,099	132,554
Consulting and professional fees	28,095	118,332	9,920	13,151	8,468	177,966	60,534	35,015	95,549	273,515
Accounting and audit fees	1,346	442	512	440	431	3,171	67,622	525	68,147	71,318
Legal fees	707	232	268	231	226	1,664	422	275	697	2,361
Employee and volunteer	8,070	2,654	6,866	1,649	3,292	22,531	12,999	964	13,963	36,494
Conference and meetings	53	29	123	5,124	4,715	10,044	587	7,190	7,777	17,821
Occupancy	17,697	9,972	11,428	9,322	7,259	55,678	54,657	8,393	63,050	118,728
Interest, bond costs, and bank fees	41,729	22,050	25,354	20,737	16,557	126,427	143,024	19,266	162,290	288,717
Dues and subscriptions	13,159	3,081	3,844	3,045	3,337	26,466	19,863	3,618	23,481	49,947
Volunteer expense	757	485	334	3,436	242	5,254	782	295	1,077	6,331
Bad debt expense	621	204	236	203	198	1,462	372	5,492	5,864	7,326
Miscellaneous	20,534	26	31	26	25	20,642	46	31	77	20,719
Donated facilities and services	-	234,346	195,212	-	94,825	524,383	-	-	-	524,383
Depreciation and amortization	57,757	19,094	21,898	17,928	14,217	130,894	99,060	30,014	129,074	259,968
TOTAL EXPENSES	$ 1,748,565	$ 1,629,375	$ 703,282	$ 543,883	$ 504,414	$ 5,129,519	$ 1,146,487	$ 554,047	$ 1,700,534	$ 6,830,053

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$	(402,111)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization expense		259,968
Loss on disposal of vehicle		20,204
Net unrealized gain on investments		(329,776)
Change in discount on pledges receivable		(2,817)
Bad debt		7,326
Changes in operating assets and liabilities:		
Accounts receivable		(25,418)
Grants receivable		33,332
Pledges receivable		41,692
Prepaid expenses and other		11,292
Accounts payable and accrued expenses		227,830
Accrued salaries and related benefits		58,812
Security deposits		600
NET CASH USED IN OPERATING ACTIVITIES		(99,066)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment		(291,270)
Purchases of investments		(177,131)
Proceeds from sales of investments		394,870
NET CASH USED IN INVESTING ACTIVITIES		(73,531)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds on line of credit		425,000
Payments on line of credit		(125,200)
Payments on notes payable		(61,517)
NET CASH PROVIDED BY FINANCING ACTIVITIES		238,283
Net change in cash and cash equivalents		65,686
Cash and cash equivalents, beginning of year		29,588
Cash and cash equivalents, end of year	$	95,274

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

Cash paid for interest	$	258,598

The accompanying notes are an integral part of these financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Jewish Council for the Aging of Greater Washington, Inc. (hereinafter "JCA") is presented to assist in understanding JCA's financial statements. The financial statements and notes are representations of JCA's management, who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America ("U.S. GAAP") and have been consistently applied in the preparation of the financial statements.

Organization: JCA is a 501(c)(3) non-profit organization, incorporated in the State of Maryland on July 24, 1973, and located in Rockville, Maryland. JCA's mission is to plan, promote, operate, and coordinate programs and services for older adults living in the Washington, D.C. area, while helping forge international connections. It is funded primarily by federal, state and county grants, private grants, program services fees, and contributions, both cash and in-kind.

A summary of JCA's significant programs are as follows:

Transportation Services: JCA's Elder Bus fleet of 12 handicapped-accessible vehicles is operated by drivers specially trained in meeting the needs of older riders. ElderBuses provide transportation to and from the Gorlitz Kensington Club, and other essential destinations such as senior community centers. Connect-A-Ride provides free information and referral services to help seniors and disabled adults of all ages learn about various transportation options including Metrobus, Metro Access, Call 'N Ride taxi programs, and private drivers. Ride Smart Workshops include classroom training and group excursions to help older adults learn about and get comfortable using public transportation. The Escorted Transportation Project connects seniors who cannot travel alone with escorted rides providing door-through-door assistance. Village Rides coordinates volunteer drivers who want to provide the "gift of a lift" to seniors in area villages - neighborhood-based nonprofit groups that help older adults maintain their independence. In collaboration with the Pozez Jewish Community Center of Northern Virginia and other organizations, JCA operates a similar program in Northern Virginia called "NV Rides."

Senior Employment Services: The Senior Community Service Employment Program provides paid, on the job training for men and women who are age 55 and older in Montgomery and Frederick Counties with incomes at or below 125% of the federal poverty line. The 50+ Employment Expos offer direct access to a variety of recruiters for both non-profit, for profit, and public sector employers with immediate job openings. Other services include access to community support services, resume review, and a variety of educational workshops. The Career Gateway provides intensive training, take-home materials, a long-term mentor, and individual attention for computer-savvy jobseekers age 50+.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Intergenerational Programs: The Heyman lnterages Center helps at-risk students succeed in school and life by connecting them with older volunteers who serve as tutors and mentors. Students and seniors learn from one another through focused discussions and creative activities. Programs include Grandreaders, a literacy program for children in Head Start and second grade, and Intergenerational Bridges, which pairs older mentors with immigrant children who participate in ESOL (English for Speakers of Other Languages) training. The Heyman lnterages Center also runs programs that engage student volunteers. Project SHARE, for example, links children of all ages to participants in senior facilities. The Intergenerational Resource Center helps professionals and organizations learn from the Heyman lnterages Center's success.

Information, Education, and Outreach: The Senior Helpline and HomeCare Resource Center helps seniors find needed services including housing, home care, recreation, and more. Trained Information and Referral Specialists provide in-depth, one-on-one consultations that ease the minds and hearts of local and long-distance caregivers while maximizing the well-being and independence of seniors and families in need. Using JCA's huge database of resource providers, specialists offer multiple referrals to public and private service providers. JCA informs members of the public about JCA and aging issues in general on such topics as safe driving, housing, home care, financial planning, and more through multiple communication channels. These include JCA's website (www.AccessJCA.org), Senior Resource Guides available in print or electronically, a Speakers Bureau that offers speeches and presentations, and general public discussions.

The Productive Aging Award Dinner honors a person or couple of national renown who helps shatter negative stereotypes about aging.

In August 2016, JCA assumed management responsibilities for the State Health Insurance Assistance Program of Montgomery Country, which provides free information, assistance and counseling on Medicare, Medigap plans, Managed Care, Part D drug plans, and Medicare fraud and abuse. Volunteers and staff help with enrollment decisions, income support programs, claims, appeals, and more.

Adult Day Programs: The Samuel J. Gorlitz Kensington Clubs (“Gorlitz Kensington Clubs”) offer activities, camaraderie, and coping skills for people in the early stages of diagnosed memory loss, including stimulating conversation and structured physical and cognitive programs that foster friendships in an atmosphere of acceptance.

Income Tax Status: JCA is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code and is publicly supported, as described in section 107(b)(1)(A)(iv). JCA is also exempt from state and local taxes. JCA evaluated for uncertain tax positions and has determined that there were no uncertain tax positions for 2024.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

JCA files a Form 990 and respective state and local tax returns. These tax returns are subject to review and examination by federal, state, and local taxing authorities. JCA has determined that it has registered in all states where it is required to be registered.

Basis of Accounting: The accompanying financial statements are prepared on the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when incurred.

Basis of Presentation: JCA is required to report information regarding its financial position and activities according to two classes of net assets, which are defined as follows:

> Net assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations and may be expended for any purpose in performing the primary objectives of JCA. These net assets may be used at the discretion of JCA's management and the board of directors.
>
> Net assets with donor restrictions – Net assets subject to donor-imposed stipulations or other stipulations that may or will be met, either by action of JCA or by the passage of time. Other donor restrictions may be perpetual in nature, whereby donors may stipulate that the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When restrictions expire, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Cash and Cash Equivalents: JCA considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Fair Value Measurements: JCA defines fair value as the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date.

Beneficial Interest in a Trust: Irrevocable trusts held by third parties are recorded as support with donor restrictions as to principal in the year the assets are placed in trust or JCA is made aware of its existence. There are no annual distributions received from the trust.

Accounts Receivable: Receivables are stated at the amount management expects to collect from outstanding balances. Management determines whether an allowance for uncollectible receivables should be established for accounts receivable. Such estimates are generally based on management's assessment of the aged basis of the funding sources of receivables, creditworthiness of donors, current economic conditions, subsequent cash collections, and historical information. JCA has evaluated accounts receivable and has determined that no allowance for uncollectible accounts is required. Bad debt expense was recognized for $7,326 for the year ended June 30, 2024.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Grants and Pledges Receivable: Grants and pledges receivable are recorded at their net realizable value, which approximates fair value. Pledge receivables expected to be collected in future years are recorded at fair value, measured as the present value of their future cash flows. The discounts on these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue.

An allowance for uncollectible grants and pledges receivable is determined based upon an annual review of account balances, including the age of the balance and the historical experience with the grantor or donor. There was no allowance for uncollectible grants and pledges receivable established as of June 30, 2024.

Property and Equipment: Property and equipment in excess of $1,000 are stated at original cost or estimated fair market value, if donated. Maintenance and repairs are charged to expense and betterments are capitalized. JCA capitalizes all assets considered to have a useful life greater than one year. Depreciation is computed using the straight-line method over each asset’s estimated useful life. Estimated useful lives are as follows:

Furniture and equipment	3-10 years
Vehicles	5 years
Building and building improvements	10-39 years

Program Service Fees: Program service fees represent funds received through the administration of JCA's various programs. Revenue is recognized ratably over the program year or when the related event takes place. Any amounts received in advance are considered deferred revenue in the statement of financial position. Funds consist of fees paid for the following:

- Adult daycare services provided for cognitively disabled seniors.
- Seminars and trainings for seniors who are wishing to return to the workforce or are actively seeking employment.

Transportation Service Income: Transportation service income represents funds received to support the buses that JCA provides for free transportation to Montgomery County Recreation Department Senior Centers and free ride-on bus services for the residents of the TobyTown community.

Contributions: Unconditional contributions are recognized when they are received or pledged. JCA reports gifts of cash and other assets as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. All donor-restricted contributions are reported as increases in net assets with donor restrictions. When restrictions expire, net assets with donor restrictions are reclassified to net assets without donor restrictions. Conditional contributions are accounted for as liabilities or are not recognized as contributions initially, until the barriers to entitlement are overcome, at which point contributions are recognized as unconditional and classified as either net assets with donor restrictions or net assets without donor restrictions.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Grants: JCA recognizes conditional contributions from government grants and contracts as contributions up to contracted levels when eligible costs are incurred, or services are provided. A receivable is recognized to the extent contributions exceed cash advances. Conversely, deferred revenue and refundable advances are recorded when funds are received in advance of the incurrence of qualifying expenditures. Contributions received under government grants are restricted as to the use specified in the grant agreement. Grant contracts are generally expended within a one-year cycle.

Donated Facilities and Services: Donated facilities and services consist of donated space, volunteer supervision, and professional services. Office space is recorded at fair value as of the date of the gift. Contributed services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by JCA.

During the year ended June 30, 2024, JCA was the beneficiary of contributed facilities and services which allowed JCA to provide greater resources toward various programs. There were no restrictions on the donated facilities and services provided during the year ended June 30, 2024.

To properly reflect total program expenses, the following donated facilities and services have been included in revenue and expense for the year ended June 30, 2024:

Donated facilities	$	7,560
Donated supervisor services		516,823
Total	$	524,383

Rental Revenue: Rental revenue is comprised of tenant rental payments. As these rentals are short-term, they are not subject to the provisions of Accounting Standards Codification ("ASC") 842, *Leases*.

Functional Expenses: The costs of providing the various programs and supporting services have been summarized on a functional basis in the accompanying statements of activities and functional expenses. Accordingly, certain costs have been allocated by management among the program, management and general, and fundraising categories. Most costs incurred by JCA are directly assignable to these categories. Those costs that cannot be directly assigned are allocated based upon reasonable allocation methodologies, the most significant of which are:

- Salaries are allocated based on an estimate of time spent on program related functions and supporting service functions.
- Payroll taxes and fringe benefits are allocated based upon salary allocations.
- Consulting and professional fees, and interest, bond costs, and bank fees are allocated based on the programs directly benefitted.
- Depreciation is allocated based on the use of the assets within programmatic and supporting service activities.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Estimates: The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions based on available information that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Advertising: JCA uses advertising to promote its programs among the audiences it serves. The production costs of advertising are expensed as incurred.

Contractual Obligations: Financial awards from federal, state, and local governmental entities in the form of grants are subject to special audit. Such audits could result in claims against JCA for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

Recent Accounting Pronouncement: Effective for the year ended June 30, 2024, JCA was required to adopt ASC 326, *Measurement of Credit Losses on Financial Instruments*, for all assets held at amortized cost basis. Under this accounting standard, the pronouncement requires organizations to record an estimate of all expected future credit losses. The allowance for credit losses will be a valuation account that is deducted from the amortized cost basis of the financial assets to present the net amount expected to be collected.

Subsequent Events: JCA has evaluated events and transactions that occurred between July 1, 2024 and March 31, 2025, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

NOTE 2 – INVESTMENTS

Investments are presented in the accompanying statement of financial position at fair value. A fair value hierarchy has been established based upon the observability of inputs to the evaluation of an asset or liability as of the measurement date. The three-level valuation techniques are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. These two types of inputs create the following fair-value levels:

- Level 1 - quoted prices for identical instruments in active markets;
- Level 2 - quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations the significant inputs for which are observable; and
- Level 3 - instruments the significant inputs for which are unobservable.

Since all securities invested by JCA are regularly traded and have quoted prices in active markets, they are all considered level 1 investments for fair value reporting.

NOTE 2 – INVESTMENTS (*continued*)

The fair values of JCA's investments by major security type are as follows as of June 30, 2024:

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 100,630	$ -	$ -	$ 100,630
Equities	613,194	-	-	613,194
Mutual funds	1,034,524	-	-	1,034,524
Fixed income	86,509	-	-	86,509
Total investments	$ 1,834,857	$ -	$ -	$ 1,834,857

JCA's beneficial interest in a trust is considered a level 3 investment. The value is based on the fair value of the holdings of the trust multiplied by JCA's beneficial share (percentage) of the trust.

JCA invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

NOTE 3 – PROPERTY AND EQUIPMENT

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

Furniture and equipment	$ 786,705
Vehicles	903,830
Buildings and building improvements	6,759,433
Land	1,100,000
Work in process	14,528
Total cost	9,564,496
Less: accumulated depreciation	(4,275,903)
Property and equipment, net	$ 5,288,593

NOTE 4 – LINE OF CREDIT

JCA had a $400,000 line of credit with a bank which matured December 26, 2024. The line was paid in full subsequent to year-end and was not renewed. Amounts borrowed under this agreement bore interest at a variable rate between 4% and 13% during the year ended June 30, 2024. The balance on the line of credit was $399,800 as of June 30, 2024. Interest expense for the year totaled $35,825. The line was secured by cash held in accounts at the same financial institution.

NOTE 5 – NOTE PAYABLE

During the year ended June 30, 2019, JCA obtained a note payable with a bank for $4,220,000, maturing on September 21, 2028, with fixed interest at 5%. Payments on the note payable were interest only for the first two years, and principal and interest for the remaining eight years with a final balloon payment in 2028.

Principal payments are expected to be as follows during the years ending June 30,:

2025	$	69,149
2026		73,106
2027		77,288
2028		81,134
2029		3,690,926
Total loan repayments		3,991,604
Less: refinancing costs, net of accumulated amortization	(	14,241)
Total	$	3,977,363

For the year ended June 30, 2024, interest expense was $225,172.

The note payable is subject to certain financial covenants, which require JCA to maintain a debt service coverage ratio of at least 1.10 to 1.00. JCA did not meet this requirement during the year ended June 30, 2024. Subsequent to year-end, JCA was granted a one-time waiver from the bank to forego this requirement.

NOTE 6 – ENDOWMENT FUND

JCA's endowment consists of both Board-designated and donor-restricted endowment funds. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as allowing JCA to appropriate for expenditures or accumulate so much of an endowment fund as JCA determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument. Unless stated otherwise in the gift instrument, the assets in an endowment fund shall be donor-restricted assets until appropriated for expenditure by the Board of Directors.

As a result of this interpretation, JCA has not changed the way investments in perpetuity are classified. The remaining portion of the donor-restricted net assets is classified as accumulated investment earnings on investments in perpetuity until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA.

NOTE 6 – ENDOWMENT FUND (*continued*)

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

- The duration and preservation of the fund;
- The purpose of the organization and the donor-restricted endowment fund;
- General economic conditions and the possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments; and
- Investment policies of the organization.

Endowment net asset composition by type of fund were as follows as of June 30, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-Designated	$ 300	$ -	$ 300
Donor-Restricted:			
Original gift value	-	1,830,960	1,830,960
Accumulated gains	-	103,597	103,597
Total endowment funds	300	1,934,557	1,934,857
Outstanding loan from the endowment	-	(100,000)	(100,000)
Total endowment funds held in investments	$ 300	$ 1,834,557	$ 1,834,857

The following represents the changes in endowment net assets for the year ended June 30, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 300	$ 1,711,521	$ 1,711,821
Contributions	-	50,000	50,000
Investment return, net of fees	-	173,036	173,036
Loan from endowment	-	(100,000)	(100,000)
Endowment net assets, end of year	$ 300	$ 1,834,557	$ 1,834,857

Funds with Deficiencies: From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the organization to retain as funds of perpetual duration. During the year ended June 30, 2024, JCA borrowed $100,000 from the endowment fund with donor restrictions. JCA intends to replenish the endowment fund during the year ending June 30, 2025.

NOTE 6 – ENDOWMENT FUND (*continued*)

Return Objectives and Risk Parameters: JCA has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor- specified period(s) as well as Board designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to supplement JCA's operating budget.

Strategies Employed for Achieving Objectives: To satisfy its long-term rate-of-return objectives, JCA relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). JCA targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy: JCA will appropriate (unless specified otherwise by the donor) for expenditure in its annual budget a maximum of 4% of the rolling average of the calendar year-end market value of the endowment assets over the preceding three years, the base to be adjusted for new capital contributions to the endowment.

There may be times when JCA may opt not to take the maximum spending rate, but rather reinvest some of the annual return. Conversely, there may be times when JCA opts to spend over the maximum rate, however, this must be formally approved by the Board of Directors.

The endowment held in perpetuity is restricted for the following as of June 30, 2024:

Adult Day Care	$	115,623
Transportation		282,538
Senior Helpline		850
Home Care Opportunity grants		125,000
Staff Development		28,028
Community Opportunity grants		3,500
General-use (endowment)		1,275,421
Total	$	1,830,960

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were as follows as of June 30, 2024:

General use (time restricted)	$	183,856
Contributions to be invested in perpetuity		1,730,960
Accumulated earnings on endowment		103,597
Total	$	2,018,413

NOTE 8 – RETIREMENT PLAN

JCA provides retirement benefits to its employees through a 403(b) defined contribution plan covering all employees who are scheduled to work 20 hours or more each week, and can participate upon their first day of employment. JCA does not provide an employer matching portion to the 403(b) plan.

JCA also has a money purchase plan. Employees who have completed two years of employment service and worked 1,000 hours in each of those years are eligible for participation. JCA makes annual contributions to the Plan equal to 3% of eligible compensation. If the employee’s two-year anniversary is mid-year, then the 3% contribution is made on the portion of the year after the two-year anniversary. Employees may elect to defer compensation subject to the annual IRS limitation. Participants age 50 and older are eligible to make catch up contributions.

Retirement contributions during the year ended June 30, 2024 totaled $38,226.

NOTE 9 – CONCENTRATIONS OF RISK

During the year ended June 30, 2024, approximately 25% of JCA’s total grants revenue was from one source and 100% of total transportation service income was from two sources. At June 30, 2024, approximately 49% of JCA’s total grants receivable was from three sources.

JCA maintains its cash and investments in financial institutions that are insured by the Federal Deposit Insurance Corporation (“FDIC”) and Securities Investor Protection Corporation (“SIPC"). At times, these accounts may exceed FDIC and SIPC limits. JCA has not experienced any losses in such accounts and believes that it is not exposed to any significant credit risk.

NOTE 10 – AVAILABILITY AND LIQUIDITY

The following represents JCA's financial assets at June 30, 2024:

Cash and cash equivalents	$	95,274
Endowment investment		1,834,857
Accounts receivable		37,826
Grants receivable		399,917
Pledges receivable		90,190
Total financial assets		2,458,064
Less amounts not available to be used within one year or for general operations:		
Net assets with donor restrictions	(	2,018,413)
Financial assets available to meet general expenditures over the next twelve months	$	439,651

The JCA's goal is generally to maintain financial assets to meet ninety days of operating expenses (approximately $1,500,000).