



**JEWISH FAMILY & CHILDREN'S SERVICE OF
GREATER MERCER COUNTY, INC.**

FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Jewish Family & Children's Service of Greater Mercer County, Inc.
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June 30, 2025 and 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Jewish Family & Children's Service of Greater Mercer County, Inc.

Opinion

We have audited the accompanying financial statements of Jewish Family & Children's Service of Greater Mercer County, Inc. (a not-for-profit corporation), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jewish Family & Children's Service of Greater Mercer County, Inc. as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Service of Greater Mercer County, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 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 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 Jewish Family & Children's Service of Greater Mercer County, 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 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 Service of Greater Mercer County, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Lear & Pannepacker, LLP

**Princeton, New Jersey
November 11, 2025**



Accountants and Advisors for Entrepreneurial Minds

Jewish Family & Children's Service of Greater Mercer County, Inc.
Statements of Financial Position
June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Cash, unrestricted	\$ 707,965	\$ 783,031
Investments	5,000	5,000
Accounts receivable, net	44,593	44,902
Government contracts receivable	144,943	133,028
Grants and contributions receivable	27,504	36,485
Prepaid expenses and other current assets	21,754	32,512
Operating lease right-of-use asset	--	1,641
Finance lease right-of-use asset	10,488	17,111
Beneficial interests in assets held by foundation	1,564,847	1,471,481
Property and equipment, net	667,357	698,727
Cash, restricted	318,625	360,733
Certificate of deposit, restricted	66,765	16,198
Cash surrender value of life insurance	<u>139,000</u>	<u>137,000</u>
Total assets	\$ <u>3,718,841</u>	\$ <u>3,737,849</u>
 Liabilities and net assets		
Liabilities		
Accounts payable	\$ 143,615	\$ 122,218
Accrued expenses	540	14,517
Accrued payroll and payroll taxes	31,667	30,960
Deferred revenue	40,438	31,410
Deferred compensation	85,000	92,000
Operating lease liability	--	1,559
Finance lease liability	9,399	15,227
Long-term debt	<u>115,000</u>	<u>115,000</u>
Total liabilities	425,659	422,891
 Net assets		
Net assets without donor restrictions	1,568,548	1,567,707
Net assets with donor restrictions	<u>1,724,634</u>	<u>1,747,251</u>
Total net assets	<u>3,293,182</u>	<u>3,314,958</u>
Total liabilities and net assets	\$ <u>3,718,841</u>	\$ <u>3,737,849</u>

See notes to financial statements

Jewish Family & Children's Service of Greater Mercer County, Inc.
Statement of Activities
Year Ended June 30, 2025

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenue			
Contributions of financial assets	\$ 2,401,931	\$ 35,691	\$ 2,437,622
Government contracts	382,621	--	382,621
Counseling and service fees	177,442	--	177,442
Investment income, net	6,678	172,520	179,198
Special events			
Special events income	445,510	--	445,510
Less costs of direct benefit to donors	(106,965)	--	(106,965)
Contributions of nonfinancial assets	<u>46,269</u>	<u>--</u>	<u>46,269</u>
Total support and revenue before net assets released from restrictions	3,353,486	208,211	3,561,697
Net assets released from restrictions	<u>230,828</u>	<u>(230,828)</u>	<u>--</u>
Total support and revenue	3,584,314	(22,617)	3,561,697
 Expenses			
Program expenses	3,113,445	--	3,113,445
General and administrative	324,627	--	324,627
Fundraising	<u>145,401</u>	<u>--</u>	<u>145,401</u>
Total expenses	<u>3,583,473</u>	<u>--</u>	<u>3,583,473</u>
 Change in net assets	841	(22,617)	(21,776)
 Net assets – beginning of year	<u>1,567,707</u>	<u>1,747,251</u>	<u>3,314,958</u>
 Net assets – end of year	<u>\$ 1,568,548</u>	<u>\$ 1,724,634</u>	<u>\$ 3,293,182</u>

See notes to financial statements

Jewish Family & Children's Service of Greater Mercer County, Inc.
Statement of Activities
Year Ended June 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenue			
Contributions of financial assets	\$ 1,415,138	\$ 112,889	\$ 1,528,027
Government contracts	362,523	--	362,523
Counseling and service fees	205,481	--	205,481
Investment income, net	4,717	159,471	164,188
Special events			
Special events income	346,000	--	346,000
Less costs of direct benefit to donors	(85,862)	--	(85,862)
Contributions of nonfinancial assets	<u>4,167</u>	<u>--</u>	<u>4,167</u>
Total support and revenue before net assets released from restrictions	2,252,164	272,360	2,524,524
Net assets released from restrictions	<u>712,640</u>	<u>(712,640)</u>	<u>--</u>
Total support and revenue	2,964,804	(440,280)	2,524,524
 Expenses			
Program expenses	2,605,009	--	2,605,009
General and administrative	292,575	--	292,575
Fundraising	<u>142,180</u>	<u>--</u>	<u>142,180</u>
Total expenses	<u>3,039,764</u>	<u>--</u>	<u>3,039,764</u>
 Change in net assets	(74,960)	(440,280)	(515,240)
 Net assets – beginning of year	<u>1,642,667</u>	<u>2,187,531</u>	<u>3,830,198</u>
 Net assets – end of year	<u>\$ 1,567,707</u>	<u>\$ 1,747,251</u>	<u>\$ 3,314,958</u>

See notes to financial statements

Jewish Family & Children's Service of Greater Mercer County, Inc.
Statement of Functional Expenses
Year Ended June 30, 2025

	<u>Senior Services</u>	<u>Counseling Expenses</u>	<u>Case Management</u>	<u>Community Programs</u>	<u>Food Expenses</u>	<u>Total Program Expenses</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Financial assistance	\$ 819,929	\$ --	\$ 12,460	\$ 35,256	\$ 893,578	\$ 1,761,223	\$ --	\$ --	\$ 1,761,223
Salaries and wages	181,625	318,070	--	215,499	117,529	832,723	173,656	120,095	1,126,474
Professional fees	9,250	105,985	2,184	27,641	10,115	155,175	71,556	2,720	229,451
Payroll taxes	14,669	25,689	--	17,405	9,492	67,255	15,187	9,699	92,141
Employee benefits	6,975	12,216	--	8,276	4,514	31,981	21,613	4,612	58,206
Insurance	5,387	18,130	1,272	12,969	5,890	43,648	9,090	--	52,738
Depreciation	3,347	11,266	790	8,058	17,389	40,850	5,649	--	46,499
Utilities	3,562	10,227	717	7,316	3,323	25,145	5,128	181	30,454
Rent	1,776	12,577	419	5,292	6,567	26,631	2,996	--	29,627
Conferences and meetings	11,273	3,842	253	4,341	4,389	24,098	1,809	82	25,989
Miscellaneous expenses	2,721	7,591	460	4,938	3,080	18,790	3,282	526	22,598
Computer software	2,248	7,725	531	5,608	2,458	18,570	3,795	33	22,398
Office expense	1,178	5,321	261	3,393	3,220	13,373	1,864	--	15,237
Printing and publishing	473	2,125	102	2,908	1,630	7,238	732	6,458	14,428
Payroll service	993	3,343	234	2,391	1,086	8,047	1,676	--	9,723
Repairs and maintenance	708	2,983	167	1,705	2,377	7,940	1,195	--	9,135
Lease expense	838	2,819	198	2,016	916	6,787	1,413	--	8,200
Dues and subscriptions	692	2,329	163	1,666	757	5,607	1,168	--	6,775
Equipment rental and maintenance	574	1,933	136	1,383	1,160	5,186	970	--	6,156
Travel	759	366	26	2,169	2,121	5,441	182	57	5,680
Advertising and marketing	419	1,409	99	1,008	542	3,477	706	355	4,538
Interest expense	539	1,190	118	1,044	394	3,285	707	--	3,992
Postage and delivery	264	606	35	360	286	1,551	253	583	2,387
Credit loss recovery	--	(576)	--	--	--	(576)	--	--	(576)
Total expenses	\$ 1,070,199	\$ 557,166	\$ 20,625	\$ 372,642	\$ 1,092,813	\$ 3,113,445	\$ 324,627	\$ 145,401	\$ 3,583,473

See notes to financial statements

Jewish Family & Children's Service of Greater Mercer County, Inc.
Statement of Functional Expenses
Year Ended June 30, 2024

	<u>Senior Services</u>	<u>Counseling Expenses</u>	<u>Case Management</u>	<u>Community Programs</u>	<u>Food Expenses</u>	<u>Total Program Expenses</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Financial assistance	\$ 549,196	\$ 212	\$ 5,876	\$ 37,663	\$ 720,650	\$ 1,313,597	\$ 36	\$ --	\$ 1,313,633
Salaries and wages	133,572	293,286	24,021	248,248	92,711	791,838	174,804	116,817	1,083,459
Professional fees	6,517	91,247	1,424	16,067	8,146	123,401	51,749	2,660	177,810
Payroll taxes	11,394	25,002	2,047	21,127	7,906	67,476	14,890	9,971	92,337
Employee benefits	6,611	7,296	2,566	20,387	7,437	44,297	10,472	5,889	60,658
Insurance	6,285	13,501	1,373	12,015	4,481	37,655	8,115	--	45,770
Depreciation	4,882	10,489	1,067	9,334	16,378	42,150	6,304	--	48,454
Utilities	4,937	8,170	831	7,270	2,711	23,919	4,909	--	28,828
Rent	3,354	6,239	634	6,432	13,320	29,979	3,750	--	33,729
Conferences and meetings	9,910	3,853	285	4,521	3,770	22,339	1,807	410	24,556
Miscellaneous expenses	1,741	3,430	310	2,901	1,160	9,542	1,834	--	11,376
Computer software	2,442	5,244	533	4,859	1,770	14,848	3,152	651	18,651
Office expense	1,405	4,037	288	2,772	2,058	10,560	1,702	--	12,262
Printing and publishing	849	2,988	167	3,063	620	7,687	861	4,836	13,384
Payroll service	1,293	2,777	282	2,471	922	7,745	1,669	--	9,414
Repairs and maintenance	1,355	2,911	296	2,591	2,307	9,460	1,750	--	11,210
Lease expense	1,298	9,390	283	2,483	925	14,379	1,677	--	16,056
Dues and subscriptions	912	1,960	199	1,744	650	5,465	1,179	--	6,644
Equipment rental and maintenance	279	600	61	534	199	1,673	361	--	2,034
Travel	715	129	375	2,047	2,301	5,567	13	459	6,039
Advertising and marketing	776	808	82	719	380	2,765	487	--	3,252
Interest expense	548	1,177	120	1,048	391	3,284	708	--	3,992
Postage and delivery	278	614	59	513	928	2,392	346	486	3,224
Credit loss expense	--	816	--	--	--	816	--	--	816
Special events	--	--	--	--	12,175	12,175	--	1	12,176
Total expenses	\$ 750,549	\$ 496,176	\$ 43,179	\$ 410,809	\$ 904,296	\$ 2,605,009	\$ 292,575	\$ 142,180	\$ 3,039,764

See notes to financial statements

Jewish Family & Children's Service of Greater Mercer County, Inc.
Statements of Cash Flows
Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities		
Change in net assets	\$(21,776)	\$(515,240)
Adjustments to reconcile change in net assets to net cash used in operating activities		
Credit loss expense (recovery)	(576)	816
Depreciation expense	46,499	48,454
Amortization of finance lease right of use asset	6,624	6,624
Net realized and unrealized gain on investments	(144,639)	(134,519)
Non-cash operating lease expense	82	--
Change in operating assets and liabilities		
(Increase) decrease in assets		
Accounts receivable, net	884	(8,455)
Government contracts receivable	(11,915)	(78,303)
Grants and contributions receivable	8,981	28,985
Prepaid expenses and other current assets	10,758	11,050
Unconditional promises to give	--	394,832
Increase (decrease) in liabilities		
Accounts payable	21,397	23,817
Accrued expenses	(13,977)	9,680
Accrued payroll and payroll taxes	707	5,076
Deferred revenue	9,028	(16,927)
Deferred compensation	(7,000)	4,000
Net cash used in operating activities	(94,923)	(220,110)
Cash flows from investing activities		
Increase in value of certificate of deposit	(50,567)	(170)
Withdrawal of assets held by foundation	51,273	81,021
Purchases of property and equipment	(15,129)	(16,107)
Increase in cash surrender value of life insurance	(2,000)	(14,000)
Net cash provided by (used in) investing activities	(16,423)	50,744
Cash flows from financing activities		
Principal payments of finance leases	(5,828)	(5,745)
Net cash used in financing activities	(5,828)	(5,745)
Change in cash	(117,174)	(175,111)
Cash at beginning of year	<u>1,143,764</u>	<u>1,318,875</u>
Cash at end of year	<u><u>\$ 1,026,590</u></u>	<u><u>\$ 1,143,764</u></u>
Reconciliation of cash		
Cash, unrestricted	\$ 707,965	\$ 783,031
Cash, restricted	<u>318,625</u>	<u>360,733</u>
Total cash	<u><u>\$ 1,026,590</u></u>	<u><u>\$ 1,143,764</u></u>
Supplemental disclosures of cash flow information		
Cash paid for the years for interest	<u><u>\$ 255</u></u>	<u><u>\$ 254</u></u>

See notes to financial statements

Jewish Family & Children's Service of Greater Mercer County, Inc.
Notes to Financial Statements
June 30, 2025 and 2024

Note 1 – Summary of significant accounting policies

Significant accounting policies followed by the Organization in the preparation of the accompanying financial statements are summarized below:

Nature of organization

Jewish Family & Children's Service of Greater Mercer County, Inc. (the "Organization") is a community service agency that strengthens individuals and families throughout the Greater Mercer County and Lower Bucks County community by teaching people how to care for themselves and each other. The Organization has had an established presence in Mercer County for more than 85 years as a comprehensive social services agency for both the local Jewish and secular community.

The Organization is dedicated to strengthening families and individuals by providing a wide range of social services and programs including therapy, information and referral, support, education and advocacy. The Organization is a state licensed, non-profit mental health agency. The Organization ascribes to best practice standards for mental health services and client care.

Programs and services provided by the Organization include broad multi-service programs for seniors including nutrition sites; case management; Holocaust survivor services and transportation; mental health counseling for individuals, couples, and families in both English and Spanish; financial assistance; kosher food pantry and food vouchers; support and family life education.

Basis of presentation

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. The Organization uses the following classifications to distinguish among restrictions:

Net assets without donor restrictions

Net assets that are not subject to donor-imposed restrictions may be spent for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors. Contributions with donor imposed restrictions that are met during the same year as the contribution is received are included in net assets without donor restrictions.

Net assets with donor restrictions

Net assets with donor restrictions are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds must be maintained in perpetuity. When a restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions.

The Organization had \$1,724,634 and \$1,747,251 in net assets with donor restrictions at June 30, 2025 and 2024, respectively.

Jewish Family & Children's Service of Greater Mercer County, Inc.
Notes to Financial Statements
June 30, 2025 and 2024

Note 1 – Summary of significant accounting policies (continued)

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, results could differ from those estimates.

Cash and cash equivalents

Short-term investments, certificates of deposit and treasury obligations with an original maturity of three months or less are considered to be cash equivalents. The Organization has no cash equivalents at June 30, 2025 and 2024.

The Organization's cash deposits exceed the federally insured limits at various times throughout the year. The Organization has not experienced any losses in these accounts. The Organization maintains its cash with high quality financial institutions which management believes limits these risks.

Promises to give

Unconditional promises to give are recognized as contribution revenue in the period received. Promises to give expected to be collected in less than one year are recorded at net realizable value. Pledges expected to be collected in more than one year are discounted to the present value of future cash flows to be recorded at fair value. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Contribution revenue recognition

The Organization recognizes contributions as revenue when they are received or unconditionally pledged and records these revenues as without or with donor restrictions according to stipulations that limit the use of these assets due to time or purpose restrictions.

Program revenues and allowance for credit losses

Counseling and service fee revenues are recognized at the time services are provided. Accounts receivable are recorded net of contractual adjustments and an allowance for credit losses; therefore, accounts receivable consist only of the amounts that management expects to receive. Because of the inherent uncertainties in estimating contractual adjustments and the allowance for credit losses, it is at least reasonably possible that the estimates used will change within the near term. Receivables are written off as a charge to the allowance for credit losses when management determines the receivable will not be collected. At June 30, 2025 and 2024, the Organization's accounts receivable were net of an allowance for credit losses of \$1,066 and \$1,642, respectively.

The timing of revenue recognition, billings, and cash collections results in accounts receivable and deferred revenue on the statements of financial position. The Organization's policy is to record payments received toward the following fiscal year as deferred revenue.

Jewish Family & Children's Service of Greater Mercer County, Inc.
Notes to Financial Statements
June 30, 2025 and 2024

Note 1 – Summary of significant accounting policies (continued)

Program revenues and allowance for credit losses (continued)

The table below shows beginning and ending contract balances for the years ended June 30:

	<u>2025</u>		<u>2024</u>
Accounts receivable, net			
Beginning	\$ 44,902	\$	37,263
Ending	\$ 44,593	\$	44,902
Government contracts receivable			
Beginning	\$ 133,028	\$	54,725
Ending	\$ 144,943	\$	133,028
Deferred revenue			
Beginning	\$ 31,410	\$	48,337
Ending	\$ 40,438	\$	31,410

Contributions of nonfinancial assets

The Organization recognizes donated materials at their fair value on the date of donation to the extent that these items are able to be reasonably valued and provide tangible benefit to the Organization. Donated services are recognized as support if the services create or enhance non-financial assets or require specialized skills, are performed by people with those skills, and otherwise would be purchased by the Organization. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose.

In addition, members of the Organization and other individuals have contributed numerous hours of their time on a volunteer or nominally paid basis to develop and support various programs and fundraising activities. The value of the contributed time is not reflected in these financial statements since they do not meet the criteria for recognition under U.S. GAAP.

Investments

Investments with readily determinable fair values are measured at fair value based on quoted market prices in the accompanying financial statements. Investment income or loss (including gains and losses in investments, interest, and dividends) is included in the statement of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law.

Property and equipment

Property and equipment are stated at cost and depreciated over the estimated useful lives of each asset. The estimated useful lives of the property and equipment range from three to thirty-nine years. Depreciation is computed using the straight-line method.

Additions and improvements, which extend the useful lives of the respective assets, are charged to the asset accounts and are depreciated accordingly, while general repairs and maintenance are expensed as incurred. The cost and related accumulated depreciation of assets sold or retired are eliminated from the accounts and any gains or losses are included in the change in net assets.

Jewish Family & Children's Service of Greater Mercer County, Inc.
Notes to Financial Statements
June 30, 2025 and 2024

Note 1 – Summary of significant accounting policies (continued)

Functional expenses

The costs of providing programs and other activities are summarized in the statements of functional expenses. Expenses that can be identified with a specific program or supporting service are charged directly to the program or supporting service. Expenses which apply to more than one functional category have been allocated based on estimates made by management. Accordingly, certain costs have been allocated among the programs, fundraising, and general areas. Costs are allocated as follows:

- Personnel costs are allocated based on estimated time and effort between program services, management and general and fundraising.
- Rent and occupancy costs are allocated based on the percentage of space used for program services, management and general and fundraising.
- Other expenses, including programming and development are based on identification of specific costs, as well as a percentage of occupancy costs.

Advertising

The Organization expenses advertising costs as incurred. Total advertising expense for the years ended June 30, 2025 and 2024 totaled \$4,538 and \$3,252, respectively.

Income taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law. Income generated by activities that would be considered unrelated to the Organization's mission would be subject to tax, which, if incurred, would be recognized as a current expense. No such tax has been recognized as of June 30, 2025 and 2024.

U.S. GAAP requires management to evaluate tax positions taken by the Organization and recognize a tax liability if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by taxing authorities. Management evaluated the Organization's tax positions and concluded that the Organization had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

The Organization did not record any interest or penalties on uncertain tax positions in the accompanying statements of financial position as of June 30, 2025 or 2024, or the accompanying statements of activities for the years then ended. If the Organization were to incur any income tax liability in the future, interest on any income tax liability would be reported as interest expense and penalties on any income tax liability would be reported as income taxes.

The Organization is subject to federal and state income tax examinations by tax authorities for up to three years after their returns are filed.

Reclassifications

Certain amounts previously reported in the financial statements for the year ended June 30, 2024 have been reclassified to conform to the June 30, 2025 classifications.

Jewish Family & Children's Service of Greater Mercer County, Inc.

Notes to Financial Statements

June 30, 2025 and 2024

Note 2 – Cash and certificate of deposit - restricted

The Organization maintains separate bank accounts which are restricted for board designated purposes, as described in Note 8.

One of the Organization's certificate of deposit has been donor restricted for scholarships.

Note 3 – Contributions of nonfinancial assets and promises to give

Contributed nonfinancial assets recognized within the accompanying financial statements for the years ended June 30 consist of:

	<u>2025</u>	<u>2024</u>
Food	\$ 46,269	\$ --
Gifts cards	--	3,271
Payments of food bills	--	896
	<u>\$ 46,269</u>	<u>\$ 4,167</u>

For the year ended June 30, 2025, the Organization received donated food which is valued at the estimated fair value on the date of donation.

For the year ended June 30, 2024, the Organization received gift cards and payments of food bills, at no charge, from unrelated nonprofit organizations and a private donor, which are used to support programming operations. The value of gift cards is based on the gift cards cash value, as provided by the donor.

Note 4 – Fair value

Financial Accounting Standards Board ASC 820, Fair Value Measurements, provides a framework for measuring, reporting and disclosing fair value under generally accepted accounting principles. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in an active market for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under 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 similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- 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.

Jewish Family & Children's Service of Greater Mercer County, Inc.
Notes to Financial Statements
June 30, 2025 and 2024

Note 4 – Fair value (continued)

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

Investments in investee funds that are valued using the net asset values (NAV) of the underlying investee fund as a practical expedient have been excluded from the fair value hierarchy and are shown as a separate column in the fair value leveling table. Where the Organization has the ability to redeem its investment with the investee at net asset value per share (or its equivalent) using the practical expedient, such investments have been excluded from the fair value hierarchy. Funds held and valued by the Jewish Community Foundation of Greater Mercer (the Foundation) are valued using this method.

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 other market participants, the use of different methodologies or assumptions to determine the fair value could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within fair value hierarchy, the Organization's assets at fair value as of June 30, 2025.

	Level 1 Quoted Prices in Active Markets	Level 2 Observable Measurement Criteria	Level 3 Unobservable Measurement Criteria	Total
Bonds	\$ 5,000	\$ --	\$ --	\$ 5,000
Beneficial interest in assets held by Foundation	--	--	--	1,564,847
Total assets	<u>\$ 5,000</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,569,847</u>

The following table sets forth by level, within fair value hierarchy, the Organization's assets at fair value as of June 30, 2024.

	Level 1 Quoted Prices in Active Markets	Level 2 Observable Measurement Criteria	Level 3 Unobservable Measurement Criteria	Total
Bonds	\$ 5,000	\$ --	\$ --	\$ 5,000
Beneficial interest in assets held by Foundation	--	--	--	1,471,481
Total assets	<u>\$ 5,000</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,476,481</u>

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Notes to Financial Statements
June 30, 2025 and 2024

Note 5 – Property and equipment

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

	<u>2025</u>	<u>2024</u>
Buildings	\$ 930,457	\$ 928,947
Furniture	32,383	35,028
Equipment	173,028	212,780
Artwork	4,257	4,257
Vehicle	<u>202,737</u>	<u>189,118</u>
Total property and equipment	1,342,862	1,370,130
Less: accumulated depreciation	<u>(675,505)</u>	<u>(671,403)</u>
Property and equipment, net	<u><u>\$ 667,357</u></u>	<u><u>\$ 698,727</u></u>

Depreciation expense for the years ended June 30, 2025 and 2024 was \$46,499 and \$48,454, respectively.

Note 6 – Beneficial interest in assets held by foundation

The Organization established an investment account with the Foundation (Note 4). The Foundation has authority over the investment of the assets in the fund. The assets are available to the Organization for charitable purposes.

The Organization was named in the will of a deceased donor to the Foundation. The Organization may withdraw up to two percent of the principal of the assets in the fund each year. As of June 30, 2025, interest of \$28,408 and principal of \$30,783 were available to be withdrawn. The value of the fund as of June 30, 2025 and 2024 was \$1,414,568 and \$1,337,559, respectively. The assets are not available for current use and are classified as net assets with donor restrictions.

The Organization also holds various other funds under the Foundation, the value of these funds as of June 30, 2025 and 2024 totaled \$150,279 and \$133,922, respectively.

Investment income consists of the following at June 30:

	<u>2025</u>	<u>2024</u>
Interest and dividends	\$ 48,589	\$ 43,274
Net realized and unrealized gain on investments	144,639	134,519
Investment management fees	<u>(14,030)</u>	<u>(13,605)</u>
	<u><u>\$ 179,198</u></u>	<u><u>\$ 164,188</u></u>

Note 7 – Mortgage payable

The Organization has a \$115,000 mortgage on an office condominium in West Windsor, NJ, payable to the Jewish Federation of Mercer/Bucks Counties. The mortgage is non-interest bearing and secured by real estate with a book value of \$508,028 at June 30, 2025. The note is due upon the sale of this property. Interest expense has been imputed at 3.25% for each of the years ended June 30, 2025 and 2024.

Jewish Family & Children's Service of Greater Mercer County, Inc.
Notes to Financial Statements
June 30, 2025 and 2024

Note 8 – Board designated net assets and cash, restricted

The Board of Directors has set aside a portion of the Organization's net assets to be available for the following purposes as of June 30:

	<u>2025</u>	<u>2024</u>
Building fund	\$ 41,924	\$ 41,308
Ongoing operations	<u>276,701</u>	<u>319,425</u>
Total	<u><u>\$ 318,625</u></u>	<u><u>\$ 360,733</u></u>

Board designated funds are included in net assets without donor restrictions in the accompanying financial statements.

Note 9 – Net assets with donor restrictions

Net assets with donor restrictions are available for the following purposes as of June 30:

	<u>2025</u>	<u>2024</u>
Income used for scholarships, principal permanently restricted	\$ 17,736	\$ 17,736
Assistance to family and children	292,330	391,956
Assets held in charitable foundation - time restricted	<u>1,414,568</u>	<u>1,337,559</u>
Total net assets with donor restrictions	<u><u>\$ 1,724,634</u></u>	<u><u>\$ 1,747,251</u></u>

Net assets released from restrictions during the years ended June 30 consisted of the following:

	<u>2025</u>	<u>2024</u>
Assistance to family and children	\$ 153,852	\$ 608,195
Assets held in charitable foundation - time restricted	<u>76,976</u>	<u>104,445</u>
Total released	<u><u>\$ 230,828</u></u>	<u><u>\$ 712,640</u></u>

Note 10 – Liquidity and availability of financial assets

The Organization manages its liquid resources by focusing on investing excess cash in investments that maximize earnings potential balanced with the amount of risk the Organization's Investment Committee has decided can be tolerated. This policy is designed to ensure adequate financial assets are available to meet general expenditures, liabilities, and other obligations as they become due.

The Organization prepares a detailed budget to ensure adequate resources to cover programs. The Organization focuses on monitoring collections of receivables and timing vendor payments to maximize the time they have access to the cash. The Organization also has a \$150,000 revolving line of credit available for short-term liquidity needs.

Jewish Family & Children's Service of Greater Mercer County, Inc.
Notes to Financial Statements
June 30, 2025 and 2024

Note 10 – Liquidity and availability of financial assets (continued)

The following reflects the Organization's financial assets available to be used for the fulfillment of payments within one year of June 30:

	<u>2025</u>	<u>2024</u>
Cash, unrestricted	\$ 707,965	\$ 783,031
Investments	5,000	5,000
Accounts receivable, net	44,593	44,902
Government contracts receivable	144,943	133,028
Grants and contributions receivable	27,504	36,485
Beneficial interests in assets held by foundation, amount available for current use	<u>52,948</u>	<u>51,283</u>
Total financial assets	<u>\$ 982,953</u>	<u>\$ 1,053,729</u>

While the Organization does not intend to spend from board designated funds, amounts could be made available by the board if necessary.

Note 11 – Concentrations, revenues

Approximately 11% of the Organization's total revenue was derived from various contracts with Mercer County. Approximately 67% of receivables at June 30, 2025 are due under these contracts.

Approximately 14% of the Organization's total revenue was derived from various contracts with Mercer County. Approximately 62% of receivables at June 30, 2024 are due under these contracts.

Note 12 – Retirement plan

The Organization sponsors a defined contribution benefit plan, covering employees employed one year or more by the Organization. After completing one year of service, the Organization will contribute 1% of the participant's compensation. After completing two years of service, the Organization contributes 3% of the participant's compensation.

The expense totaled \$25,977 and \$25,722 for the years ended June 30, 2025 and 2024, respectively.

Note 13 – Deferred compensation plan

In May 2024, the Board approved 457(b) deferred compensation plan for the Organization's Executive Director. For each plan year, the Organization will make a discretionary contribution of an amount determined by the executive committee up to the maximum amount allowed under IRS code. Distributions will be available upon termination of employment, age 70 1/2, and death.

The initial employer contribution to this plan of \$14,390 was made in the year ended June 30, 2025 and is included in employee benefits in the accompanying financial statements.

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Note 14 – Leasing activities

The Organization has finance leases of security systems for its offices. These leases have remaining lease terms of 1.6 years, some of which include options to extend the leases for 2 years. The operating lease for certain office equipment expired during the current fiscal year. A new lease agreement was entered into; however, the terms of the new lease are not material to the financial statements and therefore have not been disclosed in detail.

The Organization elected to use the risk-free rate of return as the discount rate for all leases, unless an interest rate is implicit in the lease agreement. The Organization also elected to exclude leases with an initial term of one year or less from its right-of-use asset and lease liability. For certain equipment leases, the Organization accounts for the lease and non-lease components as a single lease.

The related assets and liabilities are identified as operating lease right-of-use assets and operating lease liabilities and finance lease right-of-use assets and finance lease liabilities in the accompanying financial statements.

The following summarizes the weighted average remaining lease term and discount rate as of June 30:

	<u>2025</u>	<u>2024</u>
Weighted Average Remaining Lease Term		
Operating leases	0 months	8 months
Finance leases	19 months	31 months
Weighted Average Discount Rate		
Operating leases	N / A	3.00%
Finance leases	1.44%	1.44%

The maturities of lease liabilities as of June 30, 2025 were as follows:

Year Ending June 30:	<u>Finance</u>
2026	\$ 6,000
2027	<u>3,500</u>
Total lease payments	9,500
Less interest	(<u>101</u>)
Present value of lease liabilities	\$ <u><u>9,399</u></u>

Jewish Family & Children's Service of Greater Mercer County, Inc.
Notes to Financial Statements
June 30, 2025 and 2024

Note 14 – Leasing activities (continued)

The following summarizes the line items in the statements of activities which include the components of lease expense for the years ended June 30:

	<u>2025</u>	<u>2024</u>
Operating lease expense included in general and administrative expenses	\$ <u>1,641</u>	\$ <u>2,748</u>
Finance lease costs:		
Amortization of lease assets included in general and administrative expenses	\$ 6,624	\$ 6,624
Interest on lease liabilities included in general and administrative expenses	<u>255</u>	<u>254</u>
Total finance lease costs	\$ <u>6,879</u>	\$ <u>6,878</u>

The following summarizes cash flow information related to leases for the years ended June 30:

	<u>2025</u>	<u>2024</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 1,576	\$ 2,692
Operating cash flows from finance leases	\$ 255	\$ 254
Financing cash flows from finance leases	\$ 5,828	\$ 5,745

Note 15 – Commitments

The Organization has a deferred compensation agreement with a retired member of management with required payments of \$12,000 per year from 2025 through 2034. The present value of these payments has been reflected as a liability in the accompanying financial statements. The Organization purchased a life insurance policy to fund these obligations. The cash value of this policy is reflected as an asset on the accompanying financial statements.

Note 16 – Line of credit

The Organization has available a \$150,000 revolving line of credit with a bank which was secured by all assets of the Organization and bears interest at the prime rate plus 0.75% (8.25% at June 30, 2025). There were no borrowings against this line at June 30, 2025 and 2024. The line matures January 31, 2026. The line is collateralized by all assets of the Organization.

Note 17 – Subsequent events

The Organization evaluated subsequent events through November 11, 2025, which is the date the financial statements were available for issuance and has not noted any events to be disclosed.