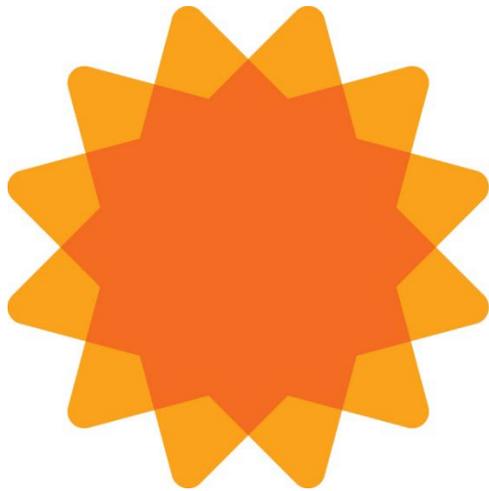




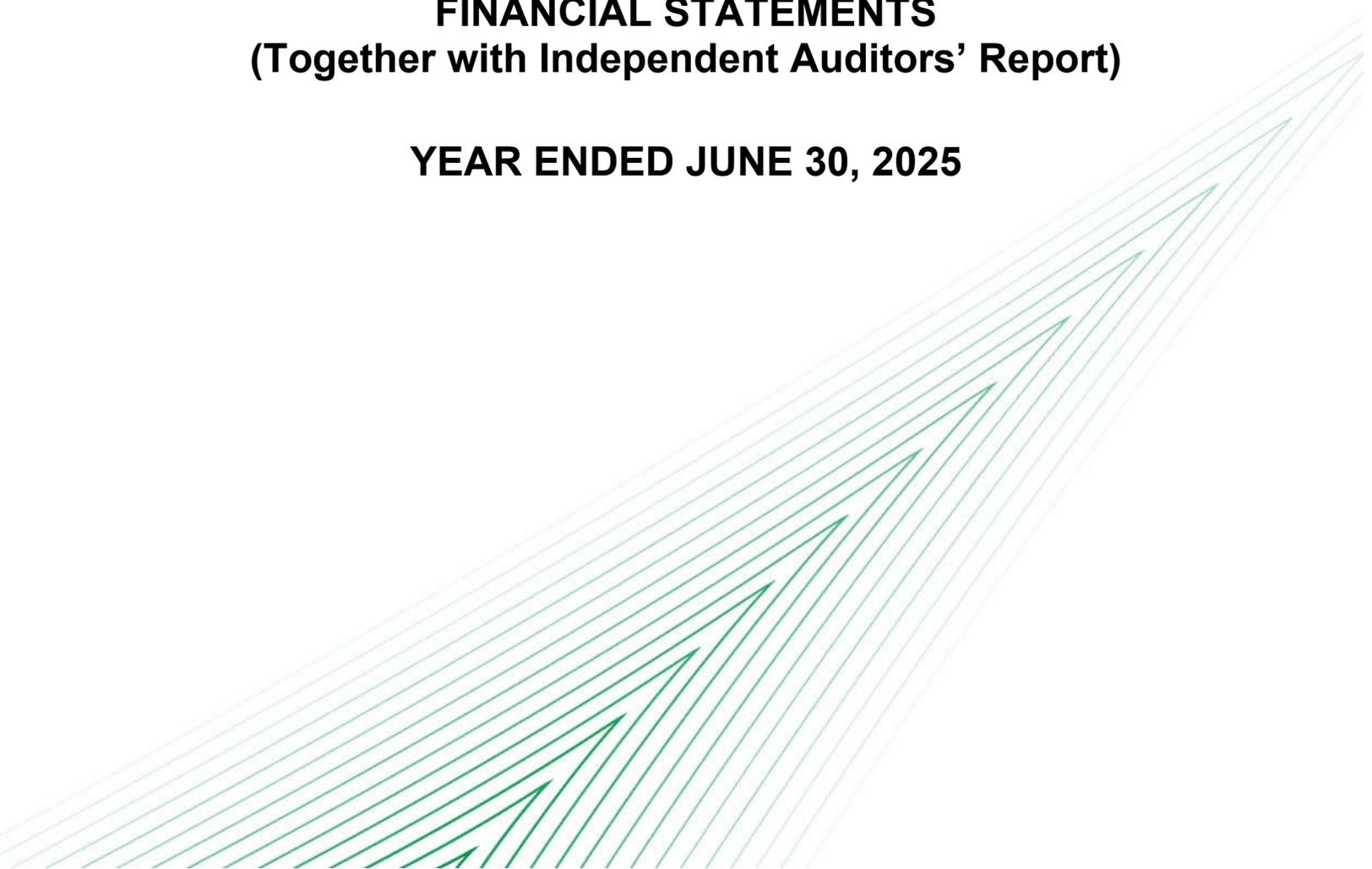
**JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC.**



# The Jewish Board

**FINANCIAL STATEMENTS  
(Together with Independent Auditors' Report)**

**YEAR ENDED JUNE 30, 2025**



**JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC.**

**FINANCIAL STATEMENTS  
(Together with Independent Auditors' Report)**

**YEAR ENDED JUNE 30, 2025**

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## INDEPENDENT AUDITORS' REPORT

The Board of Trustees  
Jewish Board of Family and Children's Services, Inc.  
New York, NY

### **Opinion**

We have audited the financial statements of the Jewish Board of Family and Children's Services, Inc. ("The Jewish Board"), which comprise the statement of financial position as of June 30, 2025, 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 The Jewish Board as of June 30, 2025, 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"). 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 The Jewish Board 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.

### **Emphasis of Matter**

As discussed in Note 3 to the financial statements, The Jewish Board restated its beginning net assets as of June 30, 2024. Our opinion is not modified with respect to this matter.

### **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 The Jewish Board's ability to continue as a going concern for one year after the date that the financial statements are available to be 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 The Jewish Board'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 The Jewish Board'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.

*CBIZ CPAs P.C.*

New York, NY  
November 26, 2025

**JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2025**

**ASSETS**

Cash and cash equivalents (Notes 2B and 18A)	\$ 5,241,603
Government grants receivable (Notes 2C and 5)	19,814,290
Accounts receivable, net (Notes 2C, 2H and 5)	18,738,083
Contributions receivable, net (Notes 2C, 2D and 6)	1,718,429
Investments (Notes 2E, 7 and 8)	92,004,578
Prepaid expenses and other assets (Notes 2G and 13B)	7,523,778
Operating lease right-of-use assets (Note 16)	34,808,685
Property and equipment, net (Notes 2F and 9)	<u>61,676,496</u>

**TOTAL ASSETS** \$ 241,525,942

**LIABILITIES**

Accounts payable and accrued expenses (Notes 2B and 2G)	\$ 7,073,109
Accrued salaries and related benefits (Note 21)	7,933,931
Accrued vacation	5,175,268
Accrued post-retirement benefits (Note 12)	5,511,720
Other pension liabilities (Note 13B)	3,488,925
Deferred revenues (Note 17B)	11,950,354
Due to government agencies (Note 17B)	17,998,019
Bank lines of credit (Note 11)	15,000,000
Other long-term debt (Note 10)	24,109,924
Lease liability (Note 16)	<u>35,693,690</u>

**TOTAL LIABILITIES** 133,934,940

**COMMITMENTS AND CONTINGENCIES** (Note 17)

**NET ASSETS** (Note 2A)

Without donor restrictions:	
Investment in property and equipment, net	37,566,572
Available for operations	<u>51,131,809</u>
Total without donor restrictions	<u>88,698,381</u>

With donor restrictions:	
Perpetual in nature	6,565,209
Time and purpose restricted	<u>12,327,412</u>
Total with donor restrictions (Note 15)	<u>18,892,621</u>

**TOTAL NET ASSETS** 107,591,002

**TOTAL LIABILITIES AND NET ASSETS** \$ 241,525,942

**JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	Without Donor Restrictions	With Donor Restrictions	Total 2025
<b>OPERATING REVENUE AND SUPPORT</b> (Note 2K):			
Program service fees (Notes 2H and 20)	\$ 123,777,928	\$ -	\$ 123,777,928
Government grants (Note 2H)	81,755,111	-	81,755,111
Contributions (Note 2D)	4,183,230	-	4,183,230
Special events (net of direct costs of \$533,747) and virtual events	1,572,488	-	1,572,488
United Jewish Appeal-Federation of Jewish Philanthropies of New York, Inc.	6,180,833	-	6,180,833
Donated services (Notes 2I and 19)	680,364	-	680,364
Rentals and other income	762,166	-	762,166
Investment income used for operations (Notes 7 and 15)	4,374,968	-	4,374,968
Gain on sale of fixed assets (Note 9)	4,775,634	-	4,775,634
Net assets released from restrictions (Notes 2A and 15)	1,014,296	(1,014,296)	-
<b>TOTAL OPERATING REVENUE AND SUPPORT</b>	<b>229,077,018</b>	<b>(1,014,296)</b>	<b>228,062,722</b>
<b>OPERATING EXPENSES</b>			
<b>Program Services:</b>			
Residential	42,086,257	-	42,086,257
Community services	50,522,545	-	50,522,545
Youth and family services	49,799,237	-	49,799,237
Jewish services	37,009,625	-	37,009,625
Other	3,087,196	-	3,087,196
<b>Total Program Services</b>	<b>182,504,860</b>	<b>-</b>	<b>182,504,860</b>
<b>Supporting Services:</b>			
Management and general	37,318,735	-	37,318,735
Fundraising	2,514,638	-	2,514,638
<b>Total Supporting Services</b>	<b>39,833,373</b>	<b>-</b>	<b>39,833,373</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>222,338,233</b>	<b>-</b>	<b>222,338,233</b>
<b>CHANGE IN NET ASSETS FROM OPERATIONS</b>	<b>6,738,785</b>	<b>(1,014,296)</b>	<b>5,724,489</b>
<b>NON-OPERATING ACTIVITIES</b> (Note 2K):			
Non-operating expenses	(1,950,000)	-	(1,950,000)
Investment activity (Note 7)	7,879,063	1,203,935	9,082,998
Less: Amount used for operations (Note 7)	(4,374,968)	-	(4,374,968)
<b>TOTAL NON-OPERATING ACTIVITIES</b>	<b>1,554,095</b>	<b>1,203,935</b>	<b>2,758,030</b>
<b>CHANGE IN NET ASSETS BEFORE POST-RETIREMENT RELATED CHANGES</b>	<b>8,292,880</b>	<b>189,639</b>	<b>8,482,519</b>
Post-retirement related changes other than net periodic pension costs (Note 12)	(107,682)	-	(107,682)
<b>CHANGE IN NET ASSETS</b>	<b>8,185,198</b>	<b>189,639</b>	<b>8,374,837</b>
Net assets - beginning of year, as previously stated	90,275,060	18,702,982	108,978,042
Prior period adjustment (Note 3)	(9,761,877)	-	(9,761,877)
Net assets - beginning of year, as restated	80,513,183	18,702,982	99,216,165
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 88,698,381</b>	<b>\$ 18,892,621</b>	<b>\$ 107,591,002</b>

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

**JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	Program Services					Supporting Services				Total 2025
	Residential	Community Services	Youth and Family Services	Jewish Services	Other	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries	\$ 14,387,049	\$ 31,716,340	\$ 27,564,980	\$ 19,564,196	\$ 1,935,500	\$ 95,168,065	\$ 15,364,751	\$ 1,688,843	\$ 17,053,594	\$ 112,221,659
Payroll taxes and benefits (Notes 12, 13, 14 and 21)	5,114,579	9,233,027	9,794,245	6,637,511	602,726	31,382,088	4,809,694	398,137	5,207,831	36,589,919
<b>Total Personnel Costs</b>	<b>19,501,628</b>	<b>40,949,367</b>	<b>37,359,225</b>	<b>26,201,707</b>	<b>2,538,226</b>	<b>126,550,153</b>	<b>20,174,445</b>	<b>2,086,980</b>	<b>22,261,425</b>	<b>148,811,578</b>
Consulting and professional fees	576,059	565,719	791,541	1,970,952	33,685	3,937,956	6,023,205	68,750	6,091,955	10,029,911
Recruiting	-	-	35,871	1,861	-	37,732	1,248,774	48,149	1,296,923	1,334,655
Other contract services	598,396	1,140,136	2,128,309	263,294	16,108	4,146,243	2,269,428	37,506	2,306,934	6,453,177
Supplies	328,507	109,280	362,208	852,211	150	1,652,356	200,777	61,386	262,163	1,914,519
Telephone	284,507	448,581	493,416	284,674	21,434	1,532,612	194,522	8,370	202,892	1,735,504
Postage and shipping	8,782	6,301	3,247	2,152	4	20,486	27,171	3,551	30,722	51,208
Occupancy (Note 16)	3,927,550	3,276,805	4,287,309	1,402,978	288,984	13,183,626	1,054,262	694	1,054,956	14,238,582
Equipment rental and other costs (Note 16)	45,859	50,270	42,603	42,658	245	181,635	29,548	640	30,188	211,823
Vehicle rental (Note 16)	60,844	15,952	112,139	203,185	-	392,120	19,423	-	19,423	411,543
Outside print and artwork	23,171	8,943	29,800	2,601	67	64,582	10,494	17,921	28,415	92,997
Staff travel and other	36,394	46,686	113,772	14,500	1,244	212,596	59,734	17,454	77,188	289,784
Conferences, conventions and special events	73,202	92,938	122,855	30,464	13,081	332,540	259,344	579,514	838,858	1,171,398
Specific assistance (Note 16)	14,142,881	453,605	1,022,446	2,346,096	422	17,965,450	16,430	45,074	61,504	18,026,954
Membership dues	29,896	12,069	85,286	400	-	127,651	63,231	-	63,231	190,882
Repairs and maintenance	169,106	155,891	334,901	349,405	523	1,009,826	795,662	-	795,662	1,805,488
Interest	127,505	101,780	149,475	326,703	-	705,463	1,961,578	-	1,961,578	2,667,041
Medicaid facility tax assessment	-	-	-	727,198	-	727,198	-	-	-	727,198
General insurance	1,082,402	1,371,782	1,621,802	1,495,094	115,533	5,686,613	633,251	32,352	665,603	6,352,216
Depreciation and amortization (Note 9)	1,018,001	613,329	635,035	458,500	12,897	2,737,762	1,570,333	-	1,570,333	4,308,095
Bad debt (Note 2C)	-	1,025,051	23,261	-	-	1,048,312	-	-	-	1,048,312
Miscellaneous	51,567	78,060	44,736	32,992	44,593	251,948	707,123	40,044	747,167	999,115
<b>Subtotal Operating Expenses</b>	<b>42,086,257</b>	<b>50,522,545</b>	<b>49,799,237</b>	<b>37,009,625</b>	<b>3,087,196</b>	<b>182,504,860</b>	<b>37,318,735</b>	<b>3,048,385</b>	<b>40,367,120</b>	<b>222,871,980</b>
<b>Less: Special Event Direct Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(533,747)</b>	<b>(533,747)</b>	<b>(533,747)</b>
<b>Total Operating Expenses</b>	<b>42,086,257</b>	<b>50,522,545</b>	<b>49,799,237</b>	<b>37,009,625</b>	<b>3,087,196</b>	<b>182,504,860</b>	<b>37,318,735</b>	<b>2,514,638</b>	<b>39,833,373</b>	<b>222,338,233</b>
<b>Non-operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,950,000</b>	<b>-</b>	<b>1,950,000</b>	<b>1,950,000</b>
<b>Total Expenses</b>	<b>\$ 42,086,257</b>	<b>\$ 50,522,545</b>	<b>\$ 49,799,237</b>	<b>\$ 37,009,625</b>	<b>\$ 3,087,196</b>	<b>\$ 182,504,860</b>	<b>\$ 39,268,735</b>	<b>\$ 2,514,638</b>	<b>\$ 41,783,373</b>	<b>\$ 224,288,233</b>

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

**JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Change in net assets	\$ 8,374,837
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation and amortization	4,308,095
Post-retirement related changes other than net periodic pension costs	107,682
Bad debt	1,048,312
Non-cash debt issuance interest expense	11,719
Discount on contributions receivable	(32,455)
Change in value of split-interest agreements	(7,355)
Non-cash operating lease right-of-use asset adjustment	163,611
Net realized and unrealized gain on investments	(7,418,758)
Gain on sale of fixed assets	<u>(4,775,634)</u>
Subtotal	(6,594,783)
Changes in operating assets and liabilities:	
(Increase) in assets:	
Government grants receivable	1,743,475
Accounts receivable	(5,495,138)
Contributions receivable	(173,836)
Prepaid expenses and other assets	(892,964)
Increase (decrease) in liabilities:	
Accounts payable and accrued expenses	(774,072)
Accrued salaries and related benefits	48,978
Accrued vacation	(53,478)
Accrued post-retirement benefits	(414,137)
Other pension liabilities	465,553
Deferred revenues	9,128,134
Due to government agencies	<u>1,176,890</u>
Net cash provided by operating activities	<u>6,539,459</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Purchase of investments	(53,955,030)
Proceeds from sales of investments	59,087,182
Proceeds from sales of fixed assets	5,497,767
Purchases of property and equipment	<u>(3,626,914)</u>
Net cash provided by investing activities	<u>7,003,005</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>	
Repayment of bank lines of credit	(84,000,000)
Proceeds from borrowings of bank lines of credit	68,000,000
Repayments of other long-term debt	<u>(1,194,688)</u>
Net cash used in financing activities	<u>(17,194,688)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(3,652,224)
Cash and cash equivalents - beginning of year	<u>8,893,827</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 5,241,603</u>
<b>SUPPLEMENTAL CASH FLOW INFORMATION:</b>	
Cash paid for interest	<u>\$ 2,655,322</u>

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

**JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES**

For over 150 years, the Jewish Board of Family and Children's Services, Inc. ("The Jewish Board") has been helping New Yorkers realize their potential. The Jewish Board's mission is to empower New Yorkers, providing integrated mental health and social services with compassion and expertise. Each year, the Jewish Board works with approximately 35,000 individuals and families from all religious, ethnic and socioeconomic backgrounds across the five boroughs of New York City.

The Jewish Board provides a comprehensive array of behavioral health, family support, residential and developmental disabilities services. Its network of mental health clinics and satellites, which provide services in physical locations in all five boroughs and also offers telehealth options, serves more than 12,000 New Yorkers annually. The Jewish Board also provides community-based treatment and residential services to children and adults living with mental illness, domestic violence services to women and families via emergency and transitional shelters, and residential services for children and youth in and aging out of the foster care system. The Jewish Board operates foster care prevention services that work to help keep 900 families together at any given time. Its Jewish Community Services programs, which provide services designed for Jewish individuals and families, offer counseling and support across a range of issues along the life cycle, including loss and bereavement, illness and substance use, and intimate partner violence. The Jewish Board's renowned Learning Department trains Jewish Board staff to meet the highest standards of care so that they are always equipped to address the most challenging needs of communities across New York City.

The Jewish Board is a Section 501(c)(3) not-for-profit corporation exempt from federal income tax under Section 501(a) of the Internal Revenue Code ("IRC"), has been classified as a publicly supported charitable organization under Section 509(a)(1) of the IRC, and qualifies for the maximum charitable contribution deduction by donors. The Jewish Board is also exempt from state and local taxes. The Jewish Board's revenues are earned primarily from Medicaid, Federal, New York State and New York City government contracts for services provided, with additional support provided from philanthropy.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. *Basis of Presentation*** – The Jewish Board maintains its net assets under the following two classes:

- Without donor restrictions – This represents resources available for support of The Jewish Board's operations over which the Board of Trustees has discretionary control, as well as investment in property and equipment.
- With donor restrictions – This represents net assets resulting from contributions and other inflows of assets whose use by The Jewish Board is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled and removed by actions of The Jewish Board pursuant to those stipulations. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished or endowment earnings are appropriated for operations), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions and grants with donor restrictions, for which the requirements are met in the year of donation, are reported as without donor restrictions.

**B. *Cash and Cash Equivalents*** – The Jewish Board considers highly liquid debt instruments with maturities of three months or less, when acquired, to be cash and cash equivalents. Program participant funds included in cash and cash equivalents amounted to approximately \$305,000 as of June 30, 2025. Such amounts are also included in accounts payable and accrued expenses in the accompanying financial statements.

**JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Allowance for Credit Losses and Uncollectible Receivables** – The Jewish Board determines whether an allowance for credit losses should be provided for accounts receivable for contracts with customers and an allowance for uncollectible receivables for government grants and contributions receivable. The allowance for credit losses is determined in accordance with Accounting Standards Codification (“ASC”) 326, *Financial Instruments – Credit Losses* based on management's assessment of the aged basis of its receivables, current and future economic conditions, historical experience, credit worthiness of its customers and collections subsequent to year-end. The allowance for uncollectible receivables is based on management's assessment of the aged basis of its receivables, current economic conditions, creditworthiness of its grantors and donors and collections subsequent to year-end. As of June 30, 2025, The Jewish Board determined an allowance for credit losses of \$3,071,071 was necessary for accounts receivable for contracts with customers and no allowance for uncollectible receivables was necessary for government grants and contributions receivable.

Below is the activity of the allowance for credit losses for the year ended June 30:

	<u>2025</u>
Balance, beginning of year	\$ 2,000,000
Bad debt expense	<u>1,071,071</u>
Balance, end of year	<u>\$ 3,071,071</u>

**D. Contributions** – Contributions are accounted for under Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) 2018-08. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those 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. Conditional promises to give are not included as support until the conditions are substantially met.

**E. Investments and Fair Value Measurements** – Investments are stated at fair value. Alternative investments are stated at fair value as estimated by the investment managers or general partners. Values may be based on historical cost, appraisals or other estimates that require varying degrees of judgment. Certain investments (see Note 7) are stated at Net Asset Value (“NAV”) which approximates fair value. Fair value measurements are based on 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. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three levels, as described in Note 8.

**F. Property and Equipment** – Property and equipment is stated at cost less accumulated depreciation and amortization. These amounts do not purport to represent replacement or realizable values. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. Leasehold improvements are amortized over the lesser of the useful lives of the improvements or the term of the lease. Property and equipment is capitalized by The Jewish Board provided its cost is \$5,000 or more and its useful life is greater than one year.

**JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**G. *Split-Interest Agreements*** – The Jewish Board is the beneficiary of a number of split-interest agreements with donors. Under these agreements, The Jewish Board controls the donated assets and distributes to the donor or donor's designee income generated from those assets until such time as stated in the agreements (usually upon the death of the donor or donor's designee). At such time, The Jewish Board will be able to utilize the remaining assets. At the time of the gift, The Jewish Board records contribution revenue and a liability for amounts payable to third-interest-party beneficiaries using an actuarial calculation based on estimated mortality rates and other assumptions that could change in the near term. The liability is adjusted annually. The fair value of investments held under split-interest agreements as of June 30, 2025 amounted to \$223,116 and consisted of investments in money market funds and bond mutual funds. As of June 30, 2025, the assets and liabilities associated with these agreements are included in prepaid expenses and other assets, and accounts payable and accrued expenses, respectively, in the accompanying statement of financial position.

**H. *Government Support*** – The Jewish Board derives its revenue from, among other sources, cost reimbursement contracts and fees for service programs with federal, New York State and New York City government agencies. The Jewish Board's Residential Treatment Center receives funding for its foster care services through foster care contracts primarily with New York City. The Jewish Board's Residential Treatment Facilities and Developmental Disabilities programs receive funding for their services through direct payments from governmental entities.

Revenues from evaluation and education services (early childhood programs) are principally cost-based. The revenues for such services are recorded at tuition rates established by governmental payors (principally the New York State Education Department and the New York City Department of Education). Program service fees are accounted for under FASB Accounting Standards Codification ("ASC") Topic 606. Government grants are accounted for under FASB ASU 2018-08. Multi-year governmental contracts included under government grants are cancellable by the funder upon its sole discretion. Conditional grant revenue in the coming years is expected to be consistent with the current year at approximately \$81 million per year.

The gross accounts receivable from contracts with customers within accounts receivable, net, on the statement of financial position, are as follows:

	<u>June 30, 2025</u>	<u>July 1, 2024</u>
Accounts receivable from contracts with customers	<u>\$ 21,809,155</u>	<u>\$ 16,291,257</u>

**I. *Donated Services*** – The Jewish Board receives certain contributed services that meet the criteria under U.S. GAAP for recognition as in-kind contributions and expense. Such services (primarily volunteer caseworkers and pro bono legal services) are recorded in the financial statements at fair value and amounted to \$680,364 for the year ended June 30, 2025. Other volunteers have donated time to The Jewish Board's programs and supporting services. No amounts have been reflected in the accompanying financial statements for those services as they do not meet the recognition criteria under U.S. GAAP.

**J. *Functional Allocation of Expenses*** – The cost of providing the various program and supporting services has been summarized on a functional basis in the statement of functional expenses. Accordingly, expenses that are not directly charged to programs and supporting services are allocated among programs and supporting services. The expenses that are allocated include occupancy and maintenance, which are allocated on a square footage basis, as well as payroll taxes and benefits, which are allocated on the basis of estimates of time and effort.

**JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC.**  
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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- K. *Operating and Non-Operating Activities*** – The Jewish Board includes in its definition of operations, all revenues and expenses that are an integral part of its programs and supporting activities, including all contributions except for endowments that are perpetual in nature. Investment income, including realized and unrealized gains and losses earned in excess of (or less than) the amount used for operations are recognized as non-operating activities.
- L. *Use of Estimates*** – The preparation of 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 disclosures at the date of the financial statements and the reporting amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 3 – PRIOR PERIOD ADJUSTMENT**

Subsequent to the issuance of the June 30, 2024 financial statements, management determined that net assets as of that date were overstated by \$9,761,877.

The overstatement represents contractual allowances related to clinic program revenues that caused clinical service revenues and receivables to be overstated.

To correct the overstatement, management recorded a prior period adjustment during the year ended June 30, 2025. The impact of the restatement on beginning net assets is summarized below:

Net Assets – Beginning of Year, as previously stated	\$ 108,978,042
Prior period adjustment	<u>(9,761,877)</u>
Net Assets – Beginning of Year, restated	<u>\$ 99,216,165</u>

The impact on the change in net assets for the year ended June 30, 2024 was an overstatement in revenues of approximately \$1.3 million resulting in an understatement of the net loss for the year by the same amount.

**NOTE 4 – LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position dates, include the following as of June 30:

	<u>2025</u>
Cash and cash equivalents	\$ 5,241,603
Government grants receivable	19,814,290
Accounts receivable, net	18,738,083
Contributions receivable, net	1,718,429
Investments	92,004,578
Program participant funds	(305,811)
Net assets with donor restrictions	<u>(18,892,621)</u>
Total financial assets	<u>\$ 118,318,551</u>

The Jewish Board has budgeted at breakeven which will allow expenses to be covered by income. In order to manage liquidity, The Jewish Board relies on collection of accounts receivable for general expenditures. As stated in Note 11, The Jewish Board has lines of credit available for short-term needs that are used for general expenditures when there are timing or collection issues of accounts receivable.

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**NOTE 5 – ACCOUNTS RECEIVABLE, NET AND GOVERNMENT GRANTS RECEIVABLE**

Accounts receivable, net, and government grants receivable consisted of the following as of June 30:

	<u>2025</u>
Due from the City of New York	\$ 23,130,190
Due from the State of New York	13,563,979
Due from other sources	<u>4,929,275</u>
	41,623,444
Less: allowance for credit losses	<u>(3,071,071)</u>
	<u>\$ 38,552,373</u>

**NOTE 6 – CONTRIBUTIONS RECEIVABLE, NET**

Contributions receivable, net, are recorded net of a discount (at a risk adjusted rate) to reflect the present value of future cash flows and are scheduled to be collected as follows as of June 30:

	<u>2025</u>
Less than one year	\$ 996,336
One to five years	<u>882,991</u>
	1,879,327
Less: Discount to present value	<u>(160,898)</u>
	<u>\$ 1,718,429</u>

**NOTE 7 – INVESTMENTS**

Investments consist of the following as of June 30:

	<u>2025</u>
Money market funds	\$ 220,182
Mutual funds	73,046,513
Alternative investments	<u>18,737,883</u>
	<u>\$ 92,004,578</u>

Alternative investments consist of the following:

Diversified inflation hedges – The fund's investment objective is to provide strong relative performance versus broad equity and fixed income markets during rising inflation environments.

Hedge funds – The fund invests primarily in offshore investment funds, investment partnerships and pooled investment vehicles. The investment in the fund is recorded at fair value based on financial data, which is generally at an amount equal to NAV per share or the fund's proportionate interest in the net assets.

Limited partnerships – Limited partnerships invest primarily in a collection of diversified hedge fund strategies from a variety of underlying managers. Investments consist of hedge funds and other funds focusing on long/short equity, relative value, credit, event driven opportunities, distressed investment and multi-strategy approaches.

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**NOTE 7 – INVESTMENTS (Continued)**

The components and designation of investment activity is as follows for the year ended June 30:

	<u>2025</u>
Realized gain	\$ 9,165,634
Unrealized loss	(1,746,876)
Net realized and unrealized activity	7,418,758
Interest and dividends	2,051,686
Investment fees	(387,446)
Total investment activity	\$ 9,082,998
Designation:	
Amount used for operations	\$ 4,374,968
Amount considered non-operating	4,708,030
Total	\$ 9,082,998

The current spending policy of The Jewish Board is discretionary and approved by the Board through the annual budget approval process.

Investments generally are exposed to various risks, such as interest rate, credit and overall market volatility. As such, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

**NOTE 8 – FAIR VALUE MEASUREMENTS**

In determining fair value, The Jewish Board utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible in its assessment of fair value.

The fair value hierarchy defines three levels as follows:

Level 1: Valuations based on quoted prices (unadjusted) in an active market that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Valuations based on observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Valuations based on unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

Investments in equity securities and mutual funds (except included under Level 2) are valued using market prices in active markets (Level 1). Level 1 instrument valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets. See Note 2E for the valuation on alternative investments.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the end of the reporting period. For the year ended June 30, 2025, there were no transfers in or out of levels.

Financial assets carried at fair value as of June 30, 2025 are classified in the table as follows:

**JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC.**  
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**NOTE 8 – FAIR VALUE MEASUREMENTS (Continued)**

	Level 1	Total
Money market funds	\$ 220,182	\$ 220,182
Mutual funds:		
Domestic	35,708,612	35,708,612
International	21,027,010	21,027,010
Corporate bonds	16,310,891	16,310,891
Subtotal	\$ 73,266,695	73,266,695
Assets using NAV as practical expedient:		
Diversified inflation hedges		6,441,160
Hedge funds		6,232,046
Limited partnerships		6,064,677
Total		\$ 92,004,578

The following investments are valued at NAV, which equals fair value as of June 30:

	2025	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Diversified inflation hedges	\$ 6,441,160	None	Quarterly	10 days
Hedge funds	6,232,046	None	Quarterly	10-90 days
Limited partnerships –				
Harborvest 2022 Global Fund LP	1,924,083	\$1,635,000	Not redeemable*	Not redeemable*
Limited partnerships –				
Blackstone Total Alternative Solutions VI	4,140,594	None	Not redeemable*	Not redeemable*
	\$ 18,737,883			

\* Proceeds are returned to the investor over time by the fund manager exiting investments and distributing profits to the investor. At the end of the life of the fund, all remaining investments are liquidated and all remaining proceeds are distributed to the investor.

**NOTE 9 – PROPERTY AND EQUIPMENT, NET**

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

	2025	Estimated Useful Lives
Land	\$ 17,471,606	
Building and building improvements	97,892,832	15-50 years
Leasehold improvements	5,182,106	5-40 years
Furniture and equipment	41,054,091	3-10 years
Construction in progress (see below)	12,695,969	
	174,296,604	
Less: accumulated depreciation and amortization	(112,620,108)	
	\$ 61,676,496	

Depreciation and amortization expense amounted to \$4,308,095 for the year ended June 30, 2025. During the year ended June 30, 2025, two buildings with a net book value of \$722,133 were sold for net proceeds of \$5,497,767, resulting in a gain of sale of fixed assets of \$4,775,634.

**JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 9 – PROPERTY AND EQUIPMENT, NET**

Construction in progress consists of renovations at various facilities with an estimated cost of completion of approximately \$73.6 million as of June 30, 2025. Certain projects are expected to be completed in the upcoming fiscal year. In fiscal years thereafter, other certain projects will be completed and others will begin.

**NOTE 10 – OTHER LONG-TERM DEBT**

The following are various mortgages and a note secured by the applicable underlying properties or as otherwise noted. Since payments on these long-term loans are generally flow-through amounts under funding contracts with the applicable funding agencies, the interest rates disclosed are not indicative of an out-of-pocket debt service obligation.

<u>Description</u>	<u>2025</u>	<u>Due Date</u>
Note payable to a bank. Principal payments start in August 2026. Interest payments are currently paid monthly. The interest rate is 3.55%. Loan is secured by property. <b>(b)</b>	\$ 16,984,586	2031
Mortgage payable to a bank in monthly installments of \$7,553. The interest rate is 4.46%. <b>(b)</b>	345,805	2029
Mortgage payable to Dormitory Authority of the State of New York ("DASNY") in semi-annual installments of \$213,755. The interest rate is 4.95%. <b>(a)</b>	2,351,806	2031
Mortgage payable to DASNY in semi-annual installments of \$37,235. The interest rate is 5.05%. <b>(a)</b>	420,251	2031
Mortgage payable to DASNY in semi-annual installments of \$60,350. The interest rate is 5.00%. <b>(a)</b>	764,697	2032
Mortgage payable to a bank in monthly installments of \$10,049. The interest rate is 5.77%. <b>(b)</b>	1,342,604	2033
Mortgage payable to DASNY in semi-annual installments of \$98,540. The interest rate is 4.02%. <b>(a)</b>	1,551,956	2034
State aid grant payable to DASNY in monthly installments of \$425. No interest is imputed. <b>(a)</b>	76,449	2026
Equipment lease to a bank in monthly installments of \$10,584. The interest rate is 2.898%. <b>(a)</b>	106,653	2026
Equipment lease to a bank in monthly installments of \$7,430. The interest rate is 2.665%. <b>(a)</b>	58,851	2026
Equipment lease to a bank in monthly installments of \$7,365. The interest rate is 3.784%. <b>(a)</b>	50,911	2026
Equipment lease to a bank in monthly installments of \$19,788. The interest rate is 5.267%. <b>(a)</b>	<u>136,119</u>	2026
	24,190,688	
Less: debt issuance costs:	<u>(80,764)</u>	
	<u>\$ 24,109,924</u>	

**(a)** Non-recourse long-term debt secured by the property.

**(b)** Pursuant to the credit agreement, The Jewish Board is required to maintain certain financial covenants. As of June 30, 2025, The Jewish Board was in compliance with all applicable covenants.

**JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC.**  
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**NOTE 10 – OTHER LONG-TERM DEBT (Continued)**

Required future annual principal payments are payable as follows for each of the five years ending after June 30, 2025 and thereafter:

2026	\$	1,085,316
2027		752,512
2028		788,644
2029		826,993
2030		781,371
Thereafter		<u>19,955,852</u>
		<u>\$ 24,190,688</u>

Interest expense for the year ended June 30, 2025 amounted to \$647,452.

**NOTE 11 – BANK LINES OF CREDIT**

Bank lines of credit consist of the following as of June 30:

	<u>2025</u>	<u>Expiration</u>
Unsecured line of credit amounting to \$21,000,000 with TD Bank. The interest rate is Secured Oversight Financing Rate ("SOFR") plus 1.5%.	\$ 13,000,000	2026
Unsecured line of credit amounting to \$15,000,000 with Bank of America. The interest rate per annum is the Bloomberg Short-Term Bank Yield Index plus 1.75%.	<u>2,000,000</u>	2025
	<u>\$ 15,000,000</u>	

There are certain financial covenants associated with the bank lines of credit. As of June 30, 2025, The Jewish Board was in compliance with all applicable covenants.

Interest expense for the year ended June 30, 2025 amounted to \$1,923,028.

**NOTE 12 – ACCRUED POST-RETIREMENT BENEFITS**

The Jewish Board maintains an accrued post-retirement benefit plan for its employees who have attained age 45 and were employed prior to January 1, 2013.

The unfunded status is as follows as of June 30:

Change in benefit obligation:		<u>2025</u>
Benefit obligation at beginning of the year	\$	5,818,175
Service cost		38,366
Interest cost		300,123
Actuarial gain		(285,846)
Benefits paid		<u>(359,098)</u>
Benefit obligation at end of the year		5,511,720
Fair value of plan assets		<u>-</u>
Unfunded status	\$	<u>5,511,720</u>

**JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC.**  
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**NOTE 12 – ACCRUED POST-RETIREMENT BENEFITS (Continued)**

The components of net periodic benefit cost are as follows for the year ended June 30:

	<u>2025</u>
Service cost	\$ 38,366
Interest cost	300,123
Amortization of actuarial gain	<u>(389,597)</u>
Net periodic cost	<u>\$ (51,108)</u>

For the year ended June 30, 2025, the amounts recognized in net assets without donor restrictions were cumulative actuarial loss of \$103,751.

The weighted assumptions used as of and for the year ended June 30 are as follows:

Benefit Obligation:	<u>2025</u>
Discount rate	5.29%
Expected return on plan assets	N/A
Rate of compensation increase	N/A
Net periodic pension cost:	
Discount rate	5.40%
Expected return on plan assets	N/A
Rate of compensation increase	N/A

The projected future benefit payments are approximately as follows as of June 30:

2026	\$ 463,000
2027	469,000
2028	474,000
2029	477,000
2030	482,000
Thereafter	<u>2,317,000</u>
	<u>\$ 4,682,000</u>

To illustrate the impact of the health care cost trend for the post-retirement plan, increasing the assumed medical care cost trend rates by 1% in each year would increase the accumulated post-retirement benefit obligation by \$75,104 as of June 30, 2025, and the aggregate of the service and interest cost components of net periodic post-retirement benefit cost for the year then ended by \$2,497. Decreasing the assumed health care cost trend rates by 1% would decrease the accumulated post-retirement benefit obligation by \$96,209 as of June 30, 2025, and the aggregate of the service and interest cost components of net periodic post-retirement benefit cost for the year then ended by \$3,261.

**NOTE 13 – 403(b) PENSION PLAN AND OTHER**

- A. 403(b) Plan – The Jewish Board offers a 403(b) retirement plan covering all employees. All employees can make salary reduction contributions. The Jewish Board does not make any contributions to the plan.
- B. The Jewish Board maintains a Supplementary Executive Retirement Plan (“SERP”) under IRC Sections 457(b) and 457(f) for certain employees. The Jewish Board contributed approximately \$219,000 for the year ended June 30, 2025. The fair value of the plan’s assets and resulting liabilities aggregated to approximately \$3,500,000 for the year ended June 30, 2025. Plan assets are included in prepaid expenses and other assets and the related liability is included in other pension liabilities in the accompanying statement of financial position.

**JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 14 – MULTIEMPLOYER PENSION PLAN**

The United Jewish Appeal-Federation of Jewish Philanthropies of New York, Inc. ("UJA-Federation") and The Jewish Board participate in a multiemployer defined benefit pension plan covering eligible union and non-union employees of these entities, as well as eligible employees of participating affiliated agencies of UJA-Federation. The name of the plan is the Retirement Plan for Employees of the United Jewish Appeal-Federation of Jewish Philanthropies of New York, Inc. and Affiliated Agencies and Institutions (the "Plan"). The Plan is filed under the Employer Identification Number 51-0172429 and the three-digit pension plan Number 333.

The Plan follows the single employer funding requirements and is not required to file an annual zone certification under the Pension Protection Act of 2006 ("PPA") and disclosures concerning a financial improvement plan or a rehabilitation plan are not applicable. The Plan is approximately 78% funded using the most recent financial information as of September 30, 2024. All employees with a minimum of 1,000 hours worked in a year are eligible to participate. The Jewish Board's share of the retirement plan expense amounted to \$4,441,457 for the year ended June 30, 2025.

**NOTE 15 – NET ASSETS WITH DONOR RESTRICTIONS**

Endowment funds consist of funds with donor restrictions. 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 Trustees of The Jewish Board has adopted the New York Prudent Management of Institutional Funds Act ("NYPMIFA"). NYPMIFA moved away from the "historical dollar value" standard and permits charities to apply a spending policy to endowments based on certain specified standards of prudence. In accordance with NYPMIFA, The Jewish Board classifies as net assets with donor restrictions, (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund is classified as donor-restricted net assets until those amounts are appropriated for expenditure by the Board of Trustees in a manner consistent with the standard of prudence prescribed by NYPMIFA. The Jewish Board recognizes that NYPMIFA creates a rebuttable presumption of imprudence if it appropriates more than 7% of a donor-restricted perpetual endowment fund's fair value (averaged over a period of not less than the preceding five years) in any year.

The Jewish Board's investments include the restricted endowment that must be held in perpetuity. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets with a moderate level of risk. To satisfy the long-term rate-of-return objective, The Jewish Board relies on a total return strategy in which investment returns are achieved both through capital appreciation and current yield. The Jewish Board employs a diversified asset allocation to achieve consistency of returns and to minimize risk. Interest earned in relation to the endowment funds is recorded as net assets without donor restrictions, since it is appropriated and spent in the year it is earned.

Investments to be held in perpetuity amounted to \$6,565,209 as of June 30, 2025. The income generated is expendable to support the general operating activities of The Jewish Board once appropriated.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the value of the initial and subsequent donor gift amounts. Such situations are commonly referred to as being "underwater." When an underwater endowment fund exists, it is classified as a reduction of net assets with donor restrictions. As of June 30, 2025, the endowment funds were not underwater.

**JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC.**  
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**NOTE 15 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)**

The change in endowment net assets for the year ended June 30, 2025 is as follows:

	With Donor Restrictions	Perpetual in Nature	Total
Investment activity	\$ 860,783	\$ -	\$ 860,783
Net change	860,783	-	860,783
Balance, beginning of year	1,873,847	6,565,209	8,439,056
Balance, end of year	\$ 2,734,630	\$ 6,565,209	\$ 9,299,839

Net assets with donor restrictions included the following as of June 30:

	2025
Endowment fund – perpetual in nature	\$ 6,565,209
Educational services for children (including time restricted)	5,838,868
Residential	970,921
Community services	2,029,153
Unappropriated earnings on endowment funds	2,734,630
Time restricted	610,091
Other	143,749
	\$ 18,892,621

Net assets were released from donor restrictions by incurring expenses satisfying the following restricted purposes for the year ended June 30:

	2025
Community services	\$ 32,327
Residential	803,764
Education	100,000
Other	78,205
	\$ 1,014,296

**NOTE 16 – OPERATING LEASES**

The Jewish Board has entered into lease agreements through fiscal year 2035. These leases include rent escalations. The Jewish Board assesses whether an arrangement qualifies as a lease at inception and only reassesses its determination if the terms and conditions of the arrangement are changed.

As of June 30, 2025, the right-of-use (“ROU”) asset amounted to \$34,808,685, and the lease liability amounted to \$35,693,690, as shown in the statement of financial position. The ROU assets and lease liability were calculated utilizing discount rates of 5%-8.5% based on the incremental borrowing rate at lease inception.

Total cash paid by The Jewish Board in the determination of the lease liabilities totaled approximately \$15.1 million for the year ended June 30, 2025. For the year ended June 30, 2025, the weighted average of the remaining lease term is approximately 6.7 years and the weighted-average discount rate is approximately 6.8%. During the year ended June 30, 2025, The Jewish Board recorded lease liabilities resulting from obtaining right-of-use assets of \$11,984,073.

**JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC.**  
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**NOTE 16 – OPERATING LEASES (Continued)**

Future minimum payments for non-cancelable operating leases for the next five years ending after June 30, 2025 and thereafter are as follows:

2026	\$	14,839,426
2027		7,694,254
2028		3,658,781
2029		3,115,470
2030		2,826,543
Thereafter		<u>9,539,963</u>
Total lease payments		41,674,437
Less: Present value discount		<u>(5,980,747)</u>
Present value of lease liabilities		<u>\$ 35,693,690</u>

Lease expense under the operating leases amounted to approximately \$20.9 million for the year ended June 30, 2025. Lease expense for office leases is included in occupancy, apartment leases is included in specific assistance, and vehicles is included in vehicle rental in the statement of functional expenses.

**NOTE 17 – COMMITMENTS AND CONTINGENCIES**

- A. The Jewish Board, in the ordinary course of business, is exposed to various legal proceedings and claims. The Jewish Board is also subject to legal proceedings and claims which have arisen in part because New York State has changed certain statutes of limitations. These legal proceedings and claims date from 1963 to 2019, with the majority dating between the 1970s and 1980s. These legal proceedings and claims have not been fully adjudicated. As of June 30, 2025, management cannot determine the final outcome of these legal proceedings and claims.
  
- B. The Jewish Board receives a significant portion of its revenue for services provided from third-party government reimbursement agencies. These revenues are based on pre-determined rates based on cost reimbursement principles and are subject to audit and retroactive adjustment by the government. The Jewish Board, when appropriate, records an estimated liability to funding sources for excess reimbursement over allowable costs and underspending of interim rates.

The Jewish Board receives certain funding for its programs in the form of operational grants, which usually pertain to a period of one year or longer. This support is restricted to operations within the terms of the grants and, accordingly, recognition of grant support is deferred until qualifying expenditures are incurred. Any excess of grant support over expenses incurred is recorded as due to government agencies and deferred revenues, in the accompanying statement of financial position.

- C. The Jewish Board believes it has no uncertain tax positions as of June 30, 2025 in accordance with FASB ASC Topic 740, "Income Taxes," which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

**NOTE 18 – CONCENTRATIONS**

- A. Cash and cash equivalents that potentially subject The Jewish Board to a concentration of credit risk include cash accounts that exceed the Federal Deposit Insurance Corporation ("FDIC") insurance limits. Cash accounts are insured up to \$250,000 per depositor, per insured financial institution. As of June 30, 2025, there was approximately \$4.9 million of cash and cash equivalents held by banks that exceeded FDIC limits.

**JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC.**  
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**NOTE 18 – CONCENTRATIONS (Continued)**

B. Certain full-time employees of The Jewish Board are covered by collective bargaining agreements as of June 30, 2025. These agreements stipulate wage levels and differentials, participation in group benefits, multi-employer pension plans and certain agreements with regard to paid time off and leave policies, work hours and schedules, personnel policies and discipline. As of June 30, 2025, The Jewish Board estimated approximately 49% of its employees are covered under collective bargaining agreements.

**NOTE 19 – DONATED SERVICES**

Donated services for the year ended June 30, 2025 consisted of the following:

<b><u>Nonfinancial Asset</u></b>	<b><u>Amount</u></b>	<b><u>Usage in Programs/Activities</u></b>	<b><u>Donor-imposed Restrictions</u></b>	<b><u>Fair Value Techniques</u></b>
Skilled volunteer services	\$ 680,364	Various positions in programs	No associated donor restrictions	Based on hourly rates of comparable staff positions

**NOTE 20 – REVENUE FROM CONTRACTS WITH CUSTOMERS**

**Service Contracts** - The Jewish Board receives revenue from contracts with various government agencies, including the New York State Office of Mental Health (OMH), New York State Office for People with Developmental Disabilities (OPWDD) and the New York State Department of Health (DOH) to provide support and services to individuals and family members of individuals with behavioral health, family support, and developmental disabilities services. Revenue is reported at the amount that reflects the consideration to which The Jewish Board expects to be entitled in exchange for providing the contracted services. These amounts are due from the government agencies, third-party payors (including government programs), individuals (including Supplemental Security Income (SSI) benefits) and others and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews and investigations.

Generally, The Jewish Board bills government agencies, third-party payors and individuals after the services are performed or have completed their portion of the contract. Receivables are due in full when billed and revenue is recognized as performance obligations are satisfied.

**Performance Obligation** - Performance obligations are determined based on the nature of the services provided by The Jewish Board in accordance with the contract. Revenue for performance obligations satisfied over time is recognized as the services are provided. This method depicts the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. The Jewish Board measures the performance obligation from the beginning of the next month or day to the point when it is no longer required to provide services under the contract or has met the requirements to bill for the services provided, which is generally at the end of each month or period of time allowed based on the government agencies' stipulations.

All performance obligations relate to contracts with a duration of less than one year; therefore, there are no performance obligations or contract balances that are unsatisfied as of June 30, 2025. The performance obligations for these contracts are completed when the service is completed and upon submission of required documentation. The Jewish Board determines the transaction price based on established rates and contracts for services provided.

**JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 20 – REVENUE FROM CONTRACTS WITH CUSTOMERS (Continued)**

Program service fees consist of revenues for the following programs for the year ended June 30:

	<u>2025</u>
Adult and Family Residential	\$ 13,450,457
Community Behavioral Health	44,975,888
Jewish Services	37,293,993
Youth and Family Services	<u>28,057,590</u>
	<u>\$ 123,777,928</u>

**NOTE 21 – MEDICAL SELF-INSURANCE**

The Jewish Board maintains a self-funded, comprehensive medical care benefits program (“self-insured program”). The accrued liability for the self-insured components of the program includes an estimate of the incurred, but not yet reported claims expense. The accrual is estimated based on an actuarial report provided by the Jewish Board actuary. The liability as of June 30, 2025 had been determined to be \$2,103,000. The liability is included in accrued salaries and related benefits on the statement of financial position. The Jewish Board does not record pharmacy rebates until they are due and payable from the self-insured program.

All of The Jewish Board employees and their dependents are eligible to participate in the program. The Jewish Board is self-insured for health claims of participants up to an annual aggregate amount of \$200,000 per covered participant. Commercial stop-loss insurance coverage is purchased for claims in excess of the annual aggregate amount. The cost of medical care is paid out of employee and employer contributions and is held in a separate bank account. The Jewish Board has contracted with Aetna, a third-party administrator, to provide administrative services for this health care benefits program. The total annual claims under the self-insured plan were \$21,901,000 with amounts contributed by employees of \$1,666,943 for the year ended June 30, 2025. Total expenses related to the self-insured plan were approximately \$20,600,000 for the year ended June 30, 2025.

**NOTE 22 – SUBSEQUENT EVENTS**

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the statement of financial position through November 26, 2025, the date the financial statements were available to be issued.