

Hood & Strong

Advisory, Tax
and Assurance

Jewish Vocational and Career Counseling Services

June 30, 2025

Financial Statements

The bottom half of the page features several light blue, wavy, horizontal lines that sweep across the width of the document, creating a modern, fluid design element.

Jewish Vocational and Career Counseling Service

Table of Contents

Independent Auditors' Report	1 - 3
-------------------------------------	--------------

Financial Statements

Statement of Financial Position	4
---------------------------------	---

Statement of Activities and Changes in Net Assets	5
---	---

Statement of Functional Expenses	6
----------------------------------	---

Statement of Cash Flows	7
-------------------------	---

Notes to the Financial Statements	8 - 21
-----------------------------------	--------

Independent Auditors' Report

THE BOARD OF DIRECTORS
JEWISH VOCATIONAL AND
CAREER COUNSELING SERVICE
San Francisco, California

Opinion

We have audited the financial statements of **JEWISH VOCATIONAL AND CAREER COUNSELING SERVICE (JVS)**, which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and changes in net assets, 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 JVS 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 JVS and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 JVS's ability to continue as a going concern for one year from the date of this report.

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 JVS'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 JVS'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.

Report on Summarized Comparative Information

We have previously audited JVS's June 30, 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 11, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Hood & Strong LLP

San Francisco, California
December 16, 2025

Jewish Vocational and Career Counseling Service

Statement of Financial Position

<i>June 30, 2025 (with comparative totals for 2024)</i>	2025	2024
Assets		
Cash and cash equivalents	\$ 6,499,967	\$ 8,226,838
Government contracts receivable, net	1,942,988	1,433,530
Contributions receivable, net	2,898,427	702,193
Investments	1,716,917	1,530,447
Prepaid expenses and other assets	489,580	528,415
Operating right-of-use leased assets	5,475,512	6,091,341
Fixed assets, net	907,551	847,267
Total Assets	\$ 19,930,942	\$ 19,360,031
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 491,748	\$ 304,138
Accrued salaries and related expenses	1,089,749	1,106,012
Operating lease liabilities	6,543,690	7,183,011
Notes payable	406,337	488,970
Total liabilities	8,531,524	9,082,131
Net Assets:		
Without donor restrictions		
Undesignated	2,463,885	3,002,801
Board designated - operating reserve	3,680,000	3,680,000
Total net assets without donor restrictions	6,143,885	6,682,801
With donor restrictions	5,255,533	3,595,099
Total net assets	11,399,418	10,277,900
Total Liabilities and Net Assets	\$ 19,930,942	\$ 19,360,031

See accompanying notes to the financial statements.

Jewish Vocational and Career Counseling Service

Statement of Activities and Changes in Net Assets

Year Ended June 30, 2025 (with comparative totals for 2024)

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenue and Support:				
Government contract support	\$ 5,348,033		\$ 5,348,033	\$ 4,723,452
Grants and other contributions	2,537,135	\$ 5,320,000	7,857,135	12,103,293
Special events (net of direct expenses of \$237,434 for 2025)	25,393		25,393	27,836
In-kind donations	1,478,415		1,478,415	1,443,841
Program service fees and client fees	1,152,909		1,152,909	441,242
Investment income, net	277,292	186,471	463,763	469,998
Net assets released from restrictions	3,846,037	(3,846,037)	-	-
Total revenue and support	14,665,214	1,660,434	16,325,648	19,209,662
Expenses:				
Program services	10,277,475		10,277,475	11,256,787
Management and General	2,845,890		2,845,890	2,411,837
Fundraising	2,080,765		2,080,765	1,603,874
Total expenses	15,204,130	-	15,204,130	15,272,498
Change in Net Assets Before Other Changes	(538,916)	1,660,434	1,121,518	3,937,164
Other Changes in Net Assets:				
Employee retention tax credit	-	-	-	35,129
Change in Net Assets	(538,916)	1,660,434	1,121,518	3,972,293
Net Assets, beginning of year	6,682,801	3,595,099	10,277,900	6,305,608
Net Assets, end of year	\$ 6,143,885	\$ 5,255,533	\$ 11,399,418	\$ 10,277,901

See accompanying notes to the financial statements.

Jewish Vocational and Career Counseling Service

Statement of Functional Expenses

Year Ended June 30, 2025 (with comparative totals for 2024)

	2025						2024
	Program Delivery	Program Support	Subtotal Program Services	Management and General	Fundraising	Total	Total
Salaries	\$ 2,318,557	\$ 2,251,591	\$ 4,570,148	\$ 1,642,676	\$ 1,134,033	\$ 7,346,857	\$ 7,960,657
Employee benefits	455,721	352,688	808,409	221,543	155,255	1,185,207	1,330,428
Payroll taxes	183,139	179,040	362,179	128,234	85,897	576,310	632,819
Rent	273,722	275,045	548,767	194,826	134,500	878,093	804,093
Professional and contract services	926,845	1,031,162	1,958,007	413,159	242,544	2,613,710	1,832,245
Office supplies and expenses	155,141	305,255	460,396	102,364	92,614	655,374	552,867
Meetings and travel	22,112	34,333	56,445	35,160	6,089	97,694	81,852
Marketing and outreach	14,203	885	15,088		100,356	115,444	3,671
Internships and stipends	998,897		998,897		1,807	1,000,704	1,275,849
Client resources	151,584	84,740	236,324		1,894	238,218	319,544
Dues and subscriptions	6,965	20,791	27,756	15,889	7,976	51,621	44,854
Telephone and utilities	27,270	26,613	53,883	19,410	13,400	86,693	93,688
Insurance	27,524	20,679	48,203	15,087	10,415	73,705	77,497
Maintenance and repairs	4,440	4,332	8,772	3,185	2,182	14,139	3,364
Staff recruitment and development	19,053	16,498	35,551	22,257	12,966	70,774	120,497
Miscellaneous			-	161		161	522
Depreciation and amortization	40,552	39,563	80,115	28,864	19,926	128,905	122,272
Bad debt (recovery) expense			-		56,788	56,788	(487)
Interest	4,320	4,215	8,535	3,075	2,123	13,733	16,267
Expenses as shown on the Statement of Activities and Changes in Net Assets	5,630,045	4,647,430	10,277,475	2,845,890	2,080,765	15,204,130	15,272,499
Other expenses:							
Direct expenses of special events			-		237,434	237,434	275,991
Total expenses	\$ 5,630,045	\$ 4,647,430	\$ 10,277,475	\$ 2,845,890	\$ 2,318,199	\$ 15,441,564	\$ 15,548,490

See accompanying notes to the financial statements.

Jewish Vocational and Career Counseling Service

Statement of Cash Flows

<i>Year Ended June 30, 2025 (with comparative totals for 2024)</i>	2025	2024
Operating Activities:		
Change in net assets	\$ 1,121,518	\$ 3,972,292
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	128,905	122,272
Permanently restricted contributions	(10,000)	(10,000)
Net realized and unrealized gains on investments	(151,841)	(180,068)
Provision for doubtful accounts	49,384	(12,037)
Discount on long-term receivables	168,766	(56,257)
Amortization of operating lease right-of-use assets	615,829	548,897
Changes in operating assets and liabilities:		
Government contracts receivable	(558,842)	(57,657)
Contributions receivable	(2,365,000)	1,490,000
Prepaid expenses and other assets	38,835	(147,524)
Accounts payable and accrued expenses	187,610	43,218
Accrued salaries and related expenses	(16,263)	(61,428)
Operating lease liabilities	(639,321)	(40,879)
Net cash (used) provided by operating activities	(1,430,420)	5,610,829
Investing Activities:		
Purchases of investments	(34,629)	(174,867)
Purchases of fixed assets	(189,189)	(52,251)
Net cash used by investing activities	(223,818)	(227,118)
Financing Activities:		
Collections of permanently restricted contributions	10,000	10,000
Payments on note payable	(82,633)	(80,117)
Net cash used by financing activities	(72,633)	(70,117)
Change in Cash and Cash Equivalents	(1,726,871)	5,313,594
Cash and Cash Equivalents, beginning of year	8,226,838	2,913,244
Cash and Cash Equivalents, end of year	\$ 6,499,967	\$ 8,226,838
Supplemental Cash Flow Information:		
Interest paid	\$ 13,733	\$ 16,267

See accompanying notes to the financial statements.

Jewish Vocational and Career Counseling Service

Notes to the Financial Statement

Note 1 - Organization and Summary of Significant Accounting Policies:

Jewish Vocational and Career Counseling Service (JVS) is a nonprofit working to close opportunity gaps in employment by supporting jobseekers with the skills and confidence needed to secure quality careers with family-sustaining wages. JVS believes that everyone, regardless of their background, deserves access to quality jobs and economic mobility. JVS invests in skills training, employer engagement, and systems-level change across California, and works towards equitable paths to opportunity, so that individuals, families, employers, and communities can thrive.

JVS serves 1,500 people annually across California across three strategies: Career Pathway Training Programs, Job Search Support and Job Readiness. JVS is an essential part of the Bay Area human service delivery network and is widely recognized as a leader in the field of workforce development known for innovation, high-impact programs, and strong partnerships.

JVS's primary source of revenue is from government contracts, grants, and contributions from the general public.

Programs:

Program Delivery

Program delivery comprises work that engages directly with jobseekers. There are two major program delivery sections:

Career Pathway Training Programs (Pathways Support)

JVS's Career Pathways Programs foster long-lasting positive change by providing comprehensive solutions to the Bay Area's racial and economic inequality crises. We partner with jobseekers from disinvested communities in gaining essential skills, work experience, and connections to secure quality jobs with opportunities for advancement. Our Career Pathways Programs bridge the gap between jobseekers and employers, providing training, wrap-around supports, and placement services. Employers benefit from access to diverse talent, while JVS helps identify individuals with the right skills and values, ensuring a better fit between employees and employers. We align our training programs with the fastest-growing local industries, such as healthcare, technology, and skilled trades, which offer a substantial number of high-growth employment opportunities. This proven strategy effectively helps individuals transition from unemployment and low-wage work to stable and thriving careers that create pathways for long-term economic mobility.

Jewish Vocational and Career Counseling Service

Notes to the Financial Statement

Job Search Support

JVS's Job Search Support is an intensive and personalized program that equips participants with the skills and job search strategies they need to be successful in their job search. In this course, jobseekers learn how to identify their strengths and accomplishments to improve their pitch, tailor their resumes, and practice interviewing and networking with a supportive and engaging cohort. Each course includes virtual mock interviews with local employers.

Program Support

Program Support encompasses areas that benefit participants with minimal participant contact. This category includes compliance, evaluation, and program strategy and design. Each section of program support strives to increase the success rates for our participants and more effectively serve our mission; to close opportunity gaps in employment by supporting jobseekers with the skills and confidence to secure quality careers with family-sustaining wages.

A summary of JVS's significant accounting policies applied in the preparation of the accompanying financial statements follows:

Accounting and Basis of Presentation

JVS uses the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) and reports information regarding its financial position and activities according to two classes of net assets:

Net Assets Without Donor Restrictions

The portion of net assets that is neither subject to time nor donor-imposed restrictions may be expended for any purpose in performing the objective of JVS. The Board of Directors has designated \$3,680,000 for future operations.

Net Assets With Donor Restrictions

The portion of net assets limited by donor-imposed stipulations are restricted until the restrictions either expire by passage of time or are fulfilled and removed by actions of JVS. Net assets with donor restrictions also include a portion of net assets whose use has been restricted for investment in perpetuity. The income from these assets is available for either general operations or specific programs as specified by the donor.

Jewish Vocational and Career Counseling Service

Notes to the Financial Statement

Revenue Recognition

Contributions are recognized at their fair value when the donor makes an unconditional promise to give to JVS. Contributions that are restricted by the donor, and grants and contracts are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions, grants, and contracts are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

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 when a material impact is noted and are discounted at an appropriate discount rate. Amortization of the discounts is included in contribution revenue. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

A portion of the JVS's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or incurring qualifying expenses. Amounts received are recognized as revenue when JVS has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the Statement of Financial Position. Amounts earned as of June 30, 2025 are included in government contracts receivable, net. JVS has been awarded cost reimbursable grants of approximately \$4,485,000 that were not recognized at June 30, 2025 because qualifying expenditures had not yet been incurred.

Program service and client fees are recognized when JVS performs the required services or has met the performance obligation.

Cash and Cash Equivalents

Cash and cash equivalents, for the purposes of the Statements of Financial Position and Cash Flows, consist of amounts held with banks, highly liquid money market funds, and other investments with a maturity of three months or less at the date of purchase.

Contributions and Government Receivables

Accounts receivable are stated at the amount management expects to collect from outstanding balances. JVS uses the allowance method to determine uncollectible contributions and government receivables. The allowance is based on both prior years' experience and management's analysis of specific promises made using forward looking metrics that forecast future collections from outstanding receivables.

Government contracts receivable of \$2,034,408 are expected to be collected during the year ending June 30, 2026 and are recorded net of an allowance of \$91,420.

Jewish Vocational and Career Counseling Service

Notes to the Financial Statement

Investments

All debt and equity securities with readily determinable market values are carried at estimated fair value based on market prices. Unrealized gains and losses are included in the change in net assets. Gains and losses are recognized in the Statement of Activities and Changes in Net Assets in the period such fluctuations occur. Dividend and interest income are accrued when earned.

Fair Value Measurements

JVS carries certain assets and liabilities at fair value. Fair value is defined as 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. JVS classifies its financial assets and liabilities according to three levels and maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value.

Level 1 - Unadjusted quoted market prices in active markets for identical assets or liabilities that the entity has the ability to access at the measurement date.

Level 2 - Observable inputs other than quoted prices included within Level 1 for the asset or liability, either directly or indirectly.

Level 3 - Unobservable inputs for the asset or liability that are not corroborated by market data.

Fixed Assets

Fixed assets are recorded at cost. JVS capitalizes all expenditures for equipment in excess of \$5,000. Donated fixed assets are carried at the approximate fair value at the date of donation. Asset lives range from two to ten years. Leasehold improvements are amortized over the life of the lease or the useful life of the asset, whichever is shorter. Depreciation is computed using the straight-line method over the shorter of the useful lives or the lease term.

Donated Services and Software

Contributions of donated noncash assets are recorded at their fair value in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Jewish Vocational and Career Counseling Service

Notes to the Financial Statement

In-kind donations for the year ended June 30, 2025 were comprised of services of \$355,180, internship stipends of \$760,132, supplies of \$240,900, outreach ads of \$114,203, and rent of \$8,000. JVS estimated the fair value on the basis of estimates of wholesale values that would be received for similar products in the United States. The value of legal, advertising, internship stipends, supplies, and rental amounts are based on market rates typically charged for those items in the normal course of business for similar services and products. These donations have been reflected in their natural expense classification on the Statement of Functional Expenses.

The total in-kind contributions, were utilized in the following functional areas:

Program Delivery	\$ 1,007,017
Program Support	92,749
Management & General	278,649
Fundraising	100,000
	\$ 1,478,415

A number of unpaid volunteers have made significant contributions of their time to JVS. However, the value of these services is not reflected in these statements because the criteria for recognition have not been satisfied.

Allocation of Functional Expense

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Shared and indirect costs have been allocated among the programs based on total personnel costs for program management and administration costs.

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, actual results could differ from these estimates.

Leases

Operating right-of-use lease assets represent the JVS' right to use an underlying asset during the lease term, and operating lease liabilities represent the JVS' obligation to make payments arising from the lease. Operating leases are included in operating right-of-use lease assets and operating lease liabilities on the Statement of Financial Position. JVS does not have any financing leases.

Jewish Vocational and Career Counseling Service

Notes to the Financial Statement

Operating lease right-of-use assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. The discount rate used to derive the present value is based on the risk-free rate for a period comparable to the lease term. Renewal periods are included in calculating the right of use assets and liabilities when they are reasonably certain of exercise. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term.

Comparative Financial Statements

The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include the sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with JVS's financial statements for the year ended June 30, 2024 from which the summarized information was derived.

Tax Exempt Status

JVS is recognized by the Internal Revenue Service as an organization exempt from income taxes on related activities under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code.

Management evaluated JVS's tax positions and concluded that JVS had maintained its tax-exempt status and had not taken uncertain tax positions that required adjustment to or recognition in the financial statements.

Subsequent Events

JVS has reviewed the events for the period of time from its fiscal year ended June 30, 2025 through December 16, 2025, the date these financial statements were available to be issued, and has determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor any other subsequent events have occurred, the nature of which would require disclosure.

Jewish Vocational and Career Counseling Service

Notes to the Financial Statement

Note 2 - Contributions Receivable:

Contributions receivable, net of discounts applied to those due beyond one year, are summarized as follows at June 30, 2025:

Unconditional promises expected to be collected in:	
Less than one year	\$ 1,511,800
One to five years	1,579,785
	3,091,585
Unamortized discount	(193,158)
Total	\$ 2,898,427

JVS was awarded approximately \$800,000 in conditional contributions (excluding federal grants) at June 30, 2025. The contributions are conditional upon attaining certain program achievements and other criteria and therefore have not been recorded at year end.

Note 3 - Investments and Fair Value Measurements:

Investments (Level 1):

Investments consisted of the following at June 30, 2025:

Cash and cash equivalents	\$ 322
Mutual funds:	
Fixed income	522,199
U.S. equity funds	1,194,396
Total	\$ 1,716,917

Investment income, net was comprised as follows for the year ended June 30, 2025:

Dividend and interest income	\$ 311,922
Realized and unrealized gain on investments	151,841
Total investment income	\$ 463,763

Jewish Vocational and Career Counseling Service

Notes to the Financial Statement

Note 4 - Fixed Assets:

Fixed assets consisted of the following at June 30, 2025:

Furniture and equipment	\$ 402,200
Software	255,231
Leasehold improvements	599,429
	1,256,860
Less accumulated depreciation and amortization	(349,309)
	\$ 907,551

Depreciation and amortization expense for the year ended June 30, 2025 was \$128,905.

Note 5 - Line of Credit:

JVS has a line of credit from Wells Fargo Bank with a credit limit of \$800,000. The line is secured by receivables and fixed assets. Interest is accrued at the greater of a floating rate equal to the bank's prime rate plus 0.25% or the floor rate of 5.50% per annum. The floating rate was 7.95% as of June 30, 2025. There was no amount outstanding at June 30, 2025. The line of credit was renewed on June 11, 2025 and will expire in July 2026.

Note 6 - Notes Payable:

Jewish Community Federation:

JVS was one of fourteen agencies that jointly contribute to a single defined benefit retirement plan (the Plan) administered by the Jewish Community Federation of San Francisco, the Peninsula, Marin and Sonoma Counties (the JCF). On December 22, 2014, JVS terminated its defined benefit retirement plan effective July 1, 2015. During 2016, JVS paid cash towards its share of the unfunded liability and the remaining amount was converted to a note payable of \$1,055,946 held by the JCF. The note is unsecured and has an interest rate at 3% per annum with monthly payments of principal and interest of \$8,030 due until maturity in January 31, 2031. The amount outstanding at June 30, 2025 was \$406,337.

Jewish Vocational and Career Counseling Service

Notes to the Financial Statement

Scheduled principal payments on the note payable are as follows:

Year Ending June 30:	
2026	\$ 85,181
2027	87,809
2028	90,502
2029	93,308
2030	49,537
	\$ 406,337

Note 7 - Endowment:

JVS's endowments include donor-restricted endowment funds established to support JVS's long-term operations. Net assets associated with this endowment fund are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of JVS has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, JVS classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The accumulated earnings on the endowment are held until those amounts are appropriated for expenditure by JVS in a manner consistent with the standard of prudence prescribed by SPMIFA.

In accordance with SPMIFA, JVS considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund, (2) the purposes of JVS and the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources JVS, (7) the investment policies of JVS.

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or SPMIFA requires JVS to retain as a fund of perpetual duration. In accordance with U.S. GAAP, any deficiencies would be classified as net assets with donor restrictions. There were no such deficiencies as of June 30, 2025.

Jewish Vocational and Career Counseling Service

Notes to the Financial Statement

Return Objectives, Risk Parameters and Spending Policy

JVS has adopted investment and spending policies for endowment assets that will ultimately provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets.

Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to exceed the yield of relevant indexes while assuming a moderate level of investment risk. The Board elected not to apply a spending policy on the earnings on the endowed assets and to accumulate earnings in order to grow the endowment fund.

Changes in endowment net assets were as follows for the fiscal year ended June 30, 2025:

	Time and Purpose <u>Restrictions</u>	Perpetual <u>Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 811,987	\$ 648,445	\$ 1,460,432
Investment return:			
Dividend and interest income	34,630		34,630
Realized and unrealized loss	151,841		151,841
Total investment return	186,471	-	186,471
Contributions		10,000	10,000
Endowment net assets, end of year	\$ 998,458	\$ 658,445	\$ 1,656,903

Jewish Vocational and Career Counseling Service

Notes to the Financial Statement

Note 8 - Net Assets With Donor Restrictions:

Net assets with donor restrictions were restricted for the following purposes as of June 30, 2025:

Purpose restricted:	
Pathway Programs	\$ 168,922
Partnerships	77,985
Bridge Programs	293,888
Organizational development	11,250
Subtotal	552,045
Endowment earnings	998,458
Endowment corpus	658,445
Time restricted	3,046,585
Total	\$ 5,255,533

Net assets with donor restrictions were released from donor restrictions as follows during the year ended June 30, 2025:

Purpose restricted:	
Pathway Programs	\$ 397,186
Partnerships	60,416
Bridge Programs	145,389
Organizational development	118,046
Time restricted	3,125,000
Total	\$ 3,846,037

Jewish Vocational and Career Counseling Service

Notes to the Financial Statement

Note 9 - Availability of Financial Assets and Liquidity:

JVS's financial assets available to meet general expenditures over the next twelve months were as follows at June 30, 2025:

Financial assets at year end:

Cash and cash equivalents	\$ 6,499,967
Government contracts receivable, net	1,942,988
Contributions receivable, net	2,898,427
Investments	1,716,917

Total financial assets	13,058,299
------------------------	------------

Less amounts not available to be used within one year:

Net assets with donor restrictions:	
Time or purpose	(3,598,630)
Endowment earnings and corpus	(1,656,903)
Board designated reserve	(3,680,000)
Add net assets with restrictions to be met in less than a year	1,073,845

(7,861,688)

Financial assets available to meet general expenditures over the next twelve months	\$ 5,196,611
---	--------------

JVS strives to maintain financial assets to meet 90 days of operating expenses (approximately \$3,628,000). As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts and certificates of deposit. Certain financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the date of the financial statements. JVS also maintains a line of credit to be used for operations as needed, described in Note 4. In November 2023, JVS's Board of Directors voted to adopt a new Board Reserve policy and fund the new reserve in the amount of \$3,680,000. The Board can undesignate the Board-designated funds and make them available for general operations.

Jewish Vocational and Career Counseling Service

Notes to the Financial Statement

Note 10 - Leases:

Operating Leases

JVS leases office space and office equipment under operating leases extending through October 2032.

Maturities of the operating lease liabilities are as follows:

Year Ending June 30,	
2026	\$ 943,916
2027	971,694
2028	988,320
2029	1,011,798
2030	1,042,152
Thereafter	2,645,371
Total lease payments	\$ 7,603,251
Less discount to present value	(1,059,561)
Present value of lease liabilities	\$ 6,543,690

The weighted average remaining lease term as of June 30, 2025 was approximately 7.3 years. The weighted average discount rate as of June 30, 2025 was 4.07%. Rent expense for the year ended June 30, 2025, was \$878,093.

Note 11 - Retirement Plans:

Jewish Vocational Services Transitional 403(b) Plan (the "Transitional Plan"), a defined contribution plan under IRC 403(b), was put into place effective January 1, 2008. The Transitional Plan allows employees hired before January 1, 2003, with the exception of two employees, with at least one hour of service and who are regularly scheduled to work 21 or more hours per week to contribute through payroll deductions. Under the Transitional Plan, JVS provides contributions of 1% to 12% based on age, years of service, and job title at the time the Transitional Plan was implemented. JVS's contributions to the Transitional Plan totaled \$11,022 for the year ended June 30, 2025.

Jewish Vocational and Career Counseling Service

Notes to the Financial Statement

Jewish Vocational Services 403(b) Plan (the “Plan”), a defined contribution plan under IRC 403(b), was put into place effective January 1, 2008. With the exception of one employee, all employees who are eligible to participate in the Transitional Plan are not eligible to participate in the Plan. The Plan allows all employees who are regularly scheduled to work 21 or more hours per week to contribute through payroll deductions. Under the Plan, JVS provides a 3% contribution for all employees, plus a maximum matching contribution of up to 3% of the participant’s compensation. JVS’s contributions to the Plan totaled \$390,782 for the year ended June 30, 2025.

JVS provides postretirement health care benefits for a senior executive employee based on an agreement dated May 5, 2019. The executive and spouse are eligible for health care and dental benefits paid for by JVS; the benefits will terminate upon the expiration of the executive. The future health care and dental benefit obligation at June 30, 2025 was \$140,249 using a discount rate of 4% according to the Internal Revenue Service mortality tables. The liability is recorded as a component of accrued salaries and related costs in the Statement of Financial Position.

Note 12 - Concentration of Credit Risk:

JVS has identified its financial instruments which are potentially subject to credit risk. The financial instruments consist principally of cash and receivables. Risks associated with cash and cash equivalents are mitigated by banking with creditworthy institutions. Periodically, throughout the year, JVS maintained balances in various operation and money market accounts in excess of federally insured limits.

All receivables consist primarily of unsecured amounts due from individuals, corporations, foundations, and government agencies. The credit risk associated with receivables is substantially mitigated by the large number of entities comprising the receivable balance and because 30% of the receivables were due from government agencies.

JVS received approximately 40% of its revenue (excluding in-kind donations) from government funding and accordingly is especially vulnerable to the inherent risks of budget cutbacks.

Two donors comprised approximately 49% of grants and other contribution revenue, and four donors comprised 87% of contributions receivable.

Note 13 - Contingencies:

JVS’s grants and contracts are subject to inspection and audit by the appropriate governmental funding agencies. The purpose is to determine whether program funds were used in accordance with their respective guidelines and regulations. The potential exists for disallowance of previously funded program costs. Management believes the ultimate liability, if any, which may result from these governmental audits cannot be reasonably estimated and, accordingly, JVS has no provision for the possible disallowance of program costs on their financial statements.