JEWISH ADOPTION AND FOSTER CARE OPTIONS, INC.
JAFCO CHILDREN'S FOUNDATION, INC.
JAFCO CHILDREN'S ABILITY CENTER, INC.
JAFCO/JEWISH ADOPTION AND FAMILY CARE OPTIONS, INC.

COMBINED FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

Year Ended December 31, 2023

C O N T E N T S

C O N T E N T S
(Continued)

MSL
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Jewish Adoption and Foster Care Options, Inc.
JAFCO Children's Foundation, Inc.
JAFCO Children's Ability Center, Inc.
JAFCO/Jewish Adoption and Family Care Options, Inc.

Sunrise, Florida

Opinion

We have audited the accompanying combined financial statements of Jewish Adoption and Foster Care Options, Inc., JAFCO Children's Foundation, Inc., JAFCO Children's Ability Center, Inc., and JAFCO/Jewish Adoption and Family Care Options, Inc. (nonprofit organizations) (collectively the "Agency"), which comprise the combined statement of financial position as of December 31, 2023, and the related combined statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements.

In our opinion, the combined financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Agency as of December 31, 2023, and the combined changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

To the Board of Trustees of
Jewish Adoption and Foster Care Options, Inc.
JAFCO Children's Foundation, Inc.
JAFCO Children's Ability Center, Inc.
JAFCO/Jewish Adoption and Family Care Options, Inc.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, 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 combined financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined 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 combined 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 Agency'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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency'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.

To the Board of Trustees of
Jewish Adoption and Foster Care Options, Inc.
JAFCO Children's Foundation, Inc.
JAFCO Children's Ability Center, Inc.
JAFCO/Jewish Adoption and Family Care Options, Inc.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The supplemental schedules on pages 21 to 30 are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 8, 2024, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

MSL, P.A.

Certified Public Accountants

Fort Lauderdale, Florida
May 8, 2024

JEWISH ADOPTION AND FOSTER CARE OPTIONS, INC.
JAFCO CHILDREN'S FOUNDATION, INC.
JAFCO CHILDREN'S ABILITY CENTER, INC.
JAFCO/JEWISH ADOPTION AND FAMILY CARE OPTIONS, INC.

COMBINED STATEMENT OF FINANCIAL POSITION

December 31, 2023

ASSETS

CURRENT ASSETS		
Cash	$	6,400,665
Investments		22,563,171
Pledges receivable, net		1,128,158
Grants receivable		747,882
Prepaid expenses		222,111
TOTAL CURRENT ASSETS		31,061,987
PROPERTY AND EQUIPMENT, net		19,219,680
PLEDGES RECEIVABLE, net, less current portion		7,024,256
BENEFICIAL INTEREST IN SPLIT-INTEREST AGREEMENTS		1,291,939
OTHER ASSETS		297,944
TOTAL ASSETS	$	58,895,806

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued expenses	$	1,432,350
Deferred revenue		238,230
TOTAL CURRENT LIABILITIES		1,670,580
OTHER LIABILITIES		494,591
TOTAL LIABILITIES		2,165,171
NET ASSETS		
Without donor restrictions		43,112,948
With donor restrictions		13,617,687
TOTAL NET ASSETS		56,730,635
TOTAL LIABILITIES AND NET ASSETS	$	58,895,806

The accompanying notes are an integral part of the combined financial statements.

JEWISH ADOPTION AND FOSTER CARE OPTIONS, INC.
JAFCO CHILDREN'S FOUNDATION, INC.
JAFCO CHILDREN'S ABILITY CENTER, INC.
JAFCO/JEWISH ADOPTION AND FAMILY CARE OPTIONS, INC.

COMBINED STATEMENT OF ACTIVITIES

Year Ended December 31, 2023

	NET ASSETS WITHOUT DONOR RESTRICTIONS	NET ASSETS WITH DONOR RESTRICTIONS	TOTAL
OPERATING REVENUES			
Government contracts and grants	$ 6,565,431	$ -	$ 6,565,431
Fundraising	6,893,153	4,857,810	11,750,963
Client fees	94,986	-	94,986
TOTAL OPERATING REVENUES	13,553,570	4,857,810	18,411,380
NET ASSETS RELEASED FROM RESTRICTION	7,489,634	(7,489,634)	-
OPERATING EXPENSES			
Program	13,648,772	-	13,648,772
Fundraising	1,952,083	-	1,952,083
Management and general	1,071,731	-	1,071,731
TOTAL OPERATING EXPENSES	16,672,586	-	16,672,586
OPERATING INCOME (LOSS)	4,370,618	(2,631,824)	1,738,794
INVESTMENT INCOME, NET	2,354,948	337,636	2,692,584
CHANGE IN NET ASSETS	6,725,566	(2,294,188)	4,431,378
NET ASSETS AT BEGINNING OF YEAR	36,387,382	15,911,875	52,299,257
NET ASSETS AT END OF YEAR	$ 43,112,948	$ 13,617,687	$ 56,730,635

The accompanying notes are an integral part of the combined financial statements.

JEWISH ADOPTION AND FOSTER CARE OPTIONS, INC.
JAFCO CHILDREN'S FOUNDATION, INC.
JAFCO CHILDREN'S ABILITY CENTER, INC.
JAFCO/JEWISH ADOPTION AND FAMILY CARE OPTIONS, INC.

COMBINED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2023

		SUPPORTING SERVICES			
	PROGRAM SERVICES	FUNDRAISING	GENERAL & ADMINI-STRATIVE	TOTAL SUPPORT SERVICES	TOTAL
Salaries and related expenses	$ 9,413,838	$ 423,094	$ 740,414	$ 1,163,508	$ 10,577,346
Client living and residential expenses	1,025,076	-	-	-	1,025,076
Provision for doubtful accounts	19,036	797,768	-	797,768	816,804
Facility expenses	607,397	6,394	25,575	31,969	639,366
Insurance	503,935	-	88,930	88,930	592,865
Fundraising expenses	-	588,462	-	588,462	588,462
Telephone and utilities	342,050	23,590	27,521	51,111	393,161
Office supplies and expenses	320,880	18,877	37,754	56,631	377,511
Professional fees	197,118	-	49,279	49,279	246,397
Rent	150,233	-	50,078	50,078	200,311
Other	95,441	82,379	3,743	86,122	181,563
Training, screening and fees	103,957	2,363	11,813	14,176	118,133
TOTAL OPERATING EXPENSES BEFORE DEPRECIATION	12,778,961	1,942,927	1,035,107	2,978,034	15,756,995
DEPRECIATION	869,811	9,156	36,624	45,780	915,591
TOTAL OPERATING EXPENSES	$ 13,648,772	$ 1,952,083	$ 1,071,731	$ 3,023,814	$ 16,672,586

The accompanying notes are an integral part of the combined financial statements.

JEWISH ADOPTION AND FOSTER CARE OPTIONS, INC.
JAFCO CHILDREN'S FOUNDATION, INC.
JAFCO CHILDREN'S ABILITY CENTER, INC.
JAFCO/JEWISH ADOPTION AND FAMILY CARE OPTIONS, INC.

COMBINED STATEMENT OF CASH FLOWS

Year Ended December 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	$ 4,431,378
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	915,591
Unrealized gain on investments	(2,170,349)
Non-cash lease expense	150,399
Provision for doubtful accounts	816,804
Net present value discount on pledges receivable	112,246
Changes in operating assets and liabilities:	
Pledges receivable, net	(965,877)
Grants receivable	76,236
Prepaid expenses	(25,429)
Beneficial interest in split interest agreements	(9,273)
Other assets	(10,989)
Accounts payable and accrued expenses	750,277
Deferred revenue	152,052
Other liabilities	(299,092)
NET CASH PROVIDED BY OPERATING ACTIVITIES	3,923,974
CASH FLOWS FROM INVESTING ACTIVITIES	
Sales of investments	20,279,022
Purchases of investments	(18,340,353)
Purchase of property and equipment	(2,856,016)
NET CASH USED IN INVESTING ACTIVITIES	(917,347)
CHANGE IN CASH	3,006,627
CASH - BEGINNING OF YEAR	3,394,038
CASH - END OF YEAR	$ 6,400,665

SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING ACTIVITIES:

Accounts payable and accrued expenses includes approximately $260,000 of construction related liabilities recorded as property and equipment as of December 31, 2023 (see Note 7).

The accompanying notes are an integral part of the combined financial statements.

NOTE 1 - NATURE OF THE ORGANIZATION AND BASIS OF PRESENTATION

Nature of the Organizations

Jewish Adoption and Foster Care Options, Inc. d/b/a Jewish Adoption and Family Care Options ("JAFCO") was incorporated in April 1992 under the laws of the State of Florida as a not-for profit voluntary agency exempt from income taxes under the Internal Revenue Code. At inception, JAFCO received a ruling from the Internal Revenue Service ("IRS") that it is a tax-exempt entity under Section 501(c)(3) of the Internal Revenue Code ("IRC").

JAFCO is licensed by the Florida Department of Children and Families as a child placing agency to provide foster care and adoption services and as a child caring group residential group care agency to provide emergency shelter and group home services to children ages birth to 24 (from Broward, Miami Dade, and Palm Beach counties). JAFCO currently provides an entire continuum of programs and services for abused and neglected children and their families:

- Family Preservation/Family Strengthening/Case Management and Referral Services
- Foster/Adoptive Parent Recruitment, Training and Licensing/Home Studies
- Foster Care Placement, Supervision and Support
- Adoption Placement and Post Adoption Support Services
- Emergency Shelter (for youth ages birth to 12)
- Group Home Program (for youth ages 6 to 24)
- Senior Caregiver Program (for grandparents raising their grandchildren)
- MST- Multi Systemic Therapy (in home family therapy program)
- Outpatient Therapy Program
- Independent Living Program for youth aging out of foster care
- Wellness experiences, crisis support, case management, trauma education through our Eagles' Haven Program

JAFCO Children's Foundation Inc. ("Foundation") was incorporated in March 2004 under the laws of the State of Florida as a not-for-profit voluntary agency exempt from income taxes under the IRC. At inception, the Foundation received a ruling from the IRS that it is a tax-exempt entity under Section 501(c)(3) of the IRC. The sole purpose of the Foundation is to provide funding and support for JAFCO approved programs as per the Agency's bylaws.

NOTE 1 - NATURE OF THE ORGANIZATION AND BASIS OF PRESENTATION *(Continued)*

Nature of the Organizations *(Continued)*

JAFCO Children's Ability Center, Inc. ("Ability Center") was incorporated in March 2012 under the laws of the State of Florida as a not-for-profit voluntary agency exempt from income taxes under the IRC. At inception, the Ability Center received a ruling from the IRS that it is a tax-exempt entity under Section 501(c)(3) of the IRC.

The Ability Center is licensed by the Florida Department of Children and Families and contracted with to provide family enrichment, resources, and respite care to families (from Broward, Dade, and Palm Beach) raising a child (age birth to 22) with a developmental disability (including Autism, Cerebral Palsy, Spina Bifida, Intellectual Disabilities and Prader Willi) including the following services:

- Family Support/Case Management and Referral/Crisis Support
- Day, overnight, weekend and extended respite care for up to two weeks a year per child
- Parent Education and Training, Support Groups, and Social Activities
- Life Skills and Social Skills Training
- 24-hour on-call crisis support for families
- Day and overnight summer camp, winter camp, spring break camp and gap camps
- After school and weekend enrichment activities for children
- Illuminate Event Center which offers rentable event space to the community for a tax deductible fee and employment for young adults with developmental disabilities

JAFCO/Jewish Adoption and Family Care Options, Inc. d/b/a FamilyMatters ("FamilyMatters") was incorporated in May 2013 under the Commonwealth of Pennsylvania as a not-for-profit voluntary agency. At inception, FamilyMatters received a ruling from the IRS that it is a tax-exempt entity under Section 501(c)(3) of the IRC.

FamilyMatters is licensed by the Pennsylvania Department of Human Services to be able to provide foster care, adoption, and social services in the Greater Philadelphia area. FamilyMatters currently provides an entire continuum of programs and services for at-risk children and those with developmental disabilities and their families including the following:

- Family Preservation/Case Management and Referral Services for at risk children and children with developmental disabilities and their families
- In home support services
- 24-hour on-call crisis support for families
- Supervised visitation as ordered by the court
- Support groups for parents and siblings of children with developmental disabilities
- Daytime respite services
- Child enrichments activities, social skills, and life skills training for children with developmental disabilities

NOTE 1 - NATURE OF THE ORGANIZATION AND BASIS OF PRESENTATION *(Continued)*

Basis of Presentation

The combined financial statements include the accounts of JAFCO, the Foundation, the Ability Center, and FamilyMatters (collectively, the "Agency"). All significant inter-organization accounts and transactions between the Agency have been eliminated in the combined financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies followed by the Agency in the preparation of its combined financial statements:

Basis of Accounting

The combined financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Net Assets

Net assets are presented based on the existence or absence of donor-imposed restrictions. In these combined financial statements, net assets are reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions. The Agency's board may designate assets without restrictions for specific purposes from time to time. There were approximately $5,029,000 of board designated net assets at December 31, 2023 (See Note 9).

Net assets with donor restrictions - Net assets whose use is subject to donor-imposed stipulations for a particular purpose or period of time. Donor restrictions can be temporary in nature and fulfilled by actions or by the passage of time, or can be perpetual and be maintained permanently by the Agency. Net assets with donor restrictions that are perpetual in nature, and consist of endowments (see Note 10), were approximately $3,167,000 at December 31, 2023.

Investments

Investments are reported at fair value. Fair value is determined using the quoted closing or latest bid prices on active exchanges, if available. Realized gains and losses are calculated based in proceeds received less cost. The cost of securities sold is based on the average cost method. Investment income, net on the combined statement of activities includes dividends, interest and net realized gain and losses and net unrealized gains and losses.

Pledges Receivable

Unconditional pledges to give cash and other assets (including multi-year pledges) are recognized at fair value in the period the pledge is made. Pledges to be received over more than one year are measured at the present value of estimated future cash flows. The discount rate used in the present value computation at December 31, 2023 was 4.00%.

Property and Equipment

Property and equipment are recorded at cost, if purchased, or at fair market value at the date of gift, if donated. Depreciation and amortization are provided using the straight-line method over the shorter of the lease terms or estimated useful lives of the various classes of assets: 39 years for buildings, between 7 and 22 years for building improvements, between 3 and 10 years for furniture, equipment, and vehicles. Expenditures that improve or extend the life of property and equipment are capitalized.

The cost of maintenance, repairs, and recurring replacements are charged to operations as incurred.

Property and equipment purchased with government grants are classified as unrestricted net assets, when the likelihood of the return of the assets to the government is considered remote and there are no specific requirements.

Split-Interest Agreements

The Agency recognizes the beneficial interest from split-interest agreements when the trust or gift is established. The beneficial interest in the split-interest agreement represents the present value of the contribution held with or on behalf of the Agency as the beneficiary upon the death of the lifetime beneficiary.

Impairment of Long-Lived Assets

The Agency reviews long-lived assets for impairment whenever events or circumstances indicate that the carrying amounts may be overstated. The Agency recognizes impairment losses if the undiscounted cash flows expected to be generated by the asset are less than the carrying value of the related asset. The impairment loss adjusts the assets to fair value. As of December 31, 2023, management believes that no impairments existed.

Revenue Recognition

Contributions

The Agency records unconditional promises to give as revenue when cash, other assets, or an unconditional promise to give are received. Conditional promises to give, that is those with a measurable performance barrier or other barrier, are not recognized until the conditions on which they depend have been met.

Revenue Recognition ***(Continued)***

Gifts of cash and other assets received with donor stipulations that limit the use of the donated assets are reported as a restricted contribution. When a restriction ends, or the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the combined statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same period in which they are received are reported in net assets without donor restrictions.

Contributions of goods and services are recognized as revenue at their estimated values at the date of receipt if the services received create or enhance nonfinancial assets or require a specialized skill and would typically need to be purchased if not provided by the donation.

Government Contracts and Grants

The Agency receives grants from a number of sources including government agencies, private foundations and other donors. Government contracts and grants are evaluated as to whether they qualify as exchange transactions or contributions as defined by U.S. GAAP based on the terms of the grant, which generally provides the revenue is earned when the related services are provided or the costs are incurred, which is when the performance obligations have been met.

Income Taxes

The Agency has been recognized by the IRS as a tax-exempt organization under Section 501(c)(3) of the IRC and corresponding state tax law. Accordingly, income earned in furtherance of the Agency's tax-exempt purpose is exempt from federal and state income taxes and, therefore, these combined financial statements include no provision or liability for income taxes.

Functional Allocation of Expenses

The combined statement of functional expenses for the year ended December 31, 2023 allocates the Agency's expenses between those incurred in connection with program related services and supporting related services. These expenses have been allocated using a reasonable basis, including time and effort estimates, square footage usage, and specific identification, when applicable.

Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures in the combined financial statements. Actual results could differ from those estimates.

Subsequent Events

The Agency has evaluated subsequent events for recording and disclosure in these combined financial statements through May 8, 2024, which is the date the combined financial statements were available to be issued.

NOTE 3 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Agency's financial assets as of the combined statement of financial position date, without limitations on use, reduced by amounts not available for general use because of contractual or donor-imposed restrictions.

Cash	$ 6,400,665
Investments	22,563,171
Pledges receivable, net, current	1,128,158
Grants receivable	747,882
Less financial assets unavailable for general expenditures within one year, due to: donor restrictions	(13,617,687)
Financial assets available to meet cash needs for general expenditures within one year	$ 17,222,189

As part of the Agency's liquidity management policy, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations become due. Additionally, excess cash is routinely invested in a portfolio of investment instruments to increase earnings. The investment portfolio includes investments readily convertible into cash to manage unanticipated liquidity needs. The Agency has not experienced significant liquidity issues in the past, and it is expected that the Agency will be able to meet day-to-day cash needs for general expenditures within one year of the balance sheet date.

NOTE 4 - FAIR VALUE MEASUREMENTS

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment. Changes in assumptions and in the Agency's operating environment could significantly affect these estimates.

NOTE 4 - FAIR VALUE MEASUREMENTS *(Continued)*

The fair value of financial instruments is presented based upon a hierarchy of levels that prioritize the inputs of valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 Inputs other than quoted prices in active markets within Level 1 that are either directly or indirectly observable, including quoted prices for similar assets or liabilities in active markets.

Level 3 Significant, unobservable inputs for the asset or liability in which little or no market data exists.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The carrying amounts of the Agency's short-term financial instruments approximate their fair value.

If available, quoted market prices are used to value investments. Equity and fixed income securities are valued at the closing price reported on the most active market on which the individual securities are traded. Non-traditional and other investments represent pooled equities and fixed income securities which are traded in active markets. The Agency's beneficial interest in split-interest agreements is valued based on the value of the underlying assets.

The following table presents the fair value measurements of the Agency's financial instruments measured on a recurring basis as of December 31, 2023:

	Level 1	Level 2	Level 3	Total
Cash and money market funds	$ 2,429,557	$ -	$ -	$ 2,429,557
Equities	11,655,860	-	-	11,655,860
Fixed income	5,789,864	266,750	-	6,056,614
Non-traditional	-	974,576	-	974,576
Mutual Funds	-	266,446	-	266,446
Total investments in the fair value hierarchy	19,875,281	1,507,772	-	21,383,053
Investments measured at NAV				1,180,118
Total investments				22,563,171
Beneficial interest in split-interest agreements	-	1,291,939	-	1,291,939
Total financial instruments	$ 19,875,281	$2,799,711	$ -	$ 23,885,110

NOTE 4 - FAIR VALUE MEASUREMENTS *(Continued)*

Valuation techniques utilized to determine fair value are consistently applied. All assets have been valued using a market approach. There were no withdrawals from the beneficial interest in split-interest agreements. None of the investments measured at NAV have any unfunded commitments.

The following table summarizes investments measured at fair value using the NAV per share as a practical expedient as of December 31, 2023:

Investment Type	Fair Value	Redemption Frequency	Valuation Frequency	Holdback Provision	Redemption Notification
Alternative investment:					
SEI Core Property Fund	$ 245,047	Quarterly	Quarterly	-	105 days
SEI Structured Credit Fund	250,282	Quarterly	Monthly	-	65 days
Blackstone Real Estate Income Trust	409,930	Monthly	Monthly	2%	30 days
FS Credit Real Estate Income Trust	274,859	Monthly	Monthly	2%	30 days
Total investments measured at NAV	$ 1,180,118				

NOTE 5 - INVESTMENTS

The Agency records investment earnings, gains, and losses on the accompanying combined statement of activities as incurred. Investment income, net for the year ended December 31, 2023 consists of the following:

Unrealized gain on investments	$ 2,170,349
Realized loss on investments	(136,773)
Interest and dividend income, net of expenses	659,008
Investment income, net	$ 2,692,584

NOTE 6 - PLEDGES RECEIVABLE, NET

Total pledges receivable, net, as of December 31, 2023 were as follows:

Gross pledges receivable	$ 11,094,622
Less allowance for uncollectable pledges	(1,458,667)
Less discounts to net present value	(1,483,541)
Net pledges receivable	$ 8,152,414
Amounts due in:	
Less than one year	$ 1,128,158
One to five years	5,036,693
More than five years	1,987,563
Net pledges receivable	8,152,414
Less current portion	(1,128,158)
Long-term portion	$ 7,024,256

NOTE 7 - PROPERTY AND EQUIPMENT, NET

Property and equipment, net, at December 31, 2023 is comprised of the following:

Land	$ 2,487,850
Buildings	17,141,349
Furniture and equipment	3,934,078
Vehicles	328,921
	23,892,198
Less accumulated depreciation and amortization	(8,142,063)
	15,750,135
Construction in progress	3,469,545
Property and equipment, net	$ 19,219,680

Depreciation of property and equipment approximated $916,000 for the year ended December 31, 2023.

During 2020, the Agency entered into a contractual agreement for the building of two respite homes totaling approximately $2,996,000. As of December 31, 2023, the Agency has incurred costs of $2,647,000 of construction in progress relating to this contract. The construction of the two respite homes is expected to be completed in 2024. During 2023, the Agency entered into a contractual agreement for a building renovations project totaling approximately $1,503,000. As of December 31, 2023, the Agency has incurred costs of $40,000 of construction in progress relating to this contract. The remaining balance in construction in progress is for costs incurred on these projects that are not under a contractual agreement.

NOTE 8 - BENEFICIAL INTEREST IN SPLIT-INTEREST AGREEMENTS

The Agency is a beneficiary of two split interest agreements, a charitable remainder trust and a gift annuity agreement. The donors or annuitants receive quarterly pay-outs from the underlying assets, with the Agency retaining legal ownership of the assets. The Agency recorded its beneficial interest in the charitable agreements of $1,291,939 at December 31, 2023. The Agency has recorded a net annuity liability relating to the future payouts of approximately $363,000 as of December 31, 2023, which is recorded within other liabilities in the accompanying combined statement of financial position.

NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS AND BOARD DESIGNATIONS

The Agency's net assets with donor restrictions consist of the following as of December 31, 2023:

With donor restrictions – temporary in nature:	
Subject to expenditure for specified purpose:	
Godparent	$ 5,371,787
Circle of Hope	1,670,181
Village Capital Campaign	758,156
Ability Center Capital Campaign	305,430
Cultural Arts	162,380
Mench	803,844
Playground Equipment	50,000
New Jersey Land	32,000
Restricted earnings and deficits on endowment funds	367,106
Subject to expenditure for time restrictions	929,364
Total with donor restrictions – temporary in nature	10,450,248
With donor restrictions – perpetual in nature:	
Endowment fund	3,167,439
Total net assets with donor restrictions	$ 13,617,687

The Agency's net assets with board designations consist of the following as of December 31, 2023:

Northeast Community – general expenses	$ 355,180
Foundation loan guarantee	48,970
Ability center construction	27,405
Respite homes construction	1,406,886
Village renovations	2,190,158
Designated endowment	1,000,000
Total net assets with board designations	$ 5,028,599

NOTE 10 - ENDOWMENTS

The Agency's endowments are made up of board designated assets and assets with donor-imposed restrictions. Net assets associated with these endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Agency interprets the Florida Uniform Prudent Management of Institutional Funds Act ("FUPMIFA") as requiring the preservation of the historical value of the original gift amount of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. The Agency considers the following factors in making a determination to appropriate or accumulate its endowment funds:

(1) The duration and preservation of the fund
(2) The purposes of the Agency 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 of the Agency
(7) The investment policies of the Agency

The Agency has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Endowment assets include assets of donor-restricted funds that the Agency must hold in perpetuity. Under this policy, the endowment assets are invested in a manner that is intended to produce a moderate return while assuming a moderate level of investment risk.

To satisfy its long-term rate-of-return objectives, the Agency relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

The Agency disburses funds as needed within the guidelines of the endowments. Over the long-term, the Agency expects the current spending policy to allow its endowments to grow. This is consistent with the Agency's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through new gifts and investment return.

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 FUPMIFA requires the Agency to retain as a fund of perpetual duration. Cumulative deficiencies of this nature that are in excess of related restricted amounts are reported in net assets with donor restrictions. Cumulative deficiencies of this nature are reported in restricted earnings and deficits on endowment funds.

The Agency's change in endowment assets, which are included within net assets with donor restrictions, for the year ended December 31, 2023 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Endowment
Endowments at January 1, 2023	$ 1,000,000	$ 196,973	$ 2,920,567	$ 4,117,540
Investment income	-	170,133	-	170,133
Contributions	-	-	246,872	246,872
Endowments at December 31, 2023	$ 1,000,000	$ 367,106	$ 3,167,439	$ 4,534,545

NOTE 11 - LEASES

The Agency recognizes a right-of-use ("ROU") asset and a lease liability for its operating leases with lease terms greater than 12 months, which was based on the present value of future minimum lease payments over the expected lease term.

FamilyMatters entered into an office space lease agreement with an unrelated third party and commenced with rental payments beginning on August 1, 2020. The FamilyMatters lease has a term of six years with one renewal term for an additional five years and calls for fixed escalating payments on each anniversary date. JAFCO entered into a lease agreement with an unrelated third party for a counseling office and wellness center with rental payments beginning on April 1, 2019. The JAFCO lease expires on February 28, 2025.

The Agency used a 4.50% discount when initially calculating the ROU asset and lease liability. As of December 31, 2023, the ROU asset was approximately $292,000, and the lease liability was approximately $204,000. As of December 31, 2023, the operating leases had a weighted-average remaining lease term of approximately 16 months. The ROU asset is included in other assets and the lease liability is included in accounts payable and accrued expenses (current portion) and other liabilities (long-term portion) on the accompanying combined statement of financial position. Lease expense totaled approximately $163,000 for the year ended December 31, 2023 and is included in rent expense in the accompanying combined statement of functional expenses.

The future minimum lease payments as of December 31, 2023 approximate the following:

Year Ending December 31,	Amount
2024	$ 165,000
2025	44,000
Total future undiscounted payments on leases	209,000
Less imputed interest	(5,000)
Present value of net minimum lease payments	204,000
Less current portion	(159,000)
Long-term operating lease liabilities	$ 45,000

NOTE 12 - DEFERRED COMPENSATION AGREEMENT

JAFCO has a non-qualified deferred compensation plan pursuant to Section 457(f) of the IRC (the "457(f) Plan"), which allows certain employees the option to defer a portion of their salary in accordance with the 457(f) Plan, i.e., until they reach retirement age. JAFCO has recorded a corresponding asset and liability related to the 457(f) Plan of approximately $87,000 as of December 31, 2023, which are included within other assets and other liabilities, respectively, on the accompanying combined statement of financial position. JAFCO did not contribute to the 457(f) Plan during the year ended December 31, 2023. The 457(f) Plan did not have any distributions during the year ended December 31, 2023. JAFCO's liability to the 457(f) Plan participants is deferred until the vesting date, which occurs when the employees reaches retirement age.

NOTE 13 - RETIREMENT PLAN

The Agency sponsors a 403(b) retirement plan (the "Plan") for the benefit of substantially all employees. All participating employees may elect to contribute a portion of their salary to the Plan. The total Agency matching contributions expense related to the Plan for the year ended December 31, 2023, were approximately $58,000 and related to the Plan year 2023.

NOTE 14 - COMMITMENTS AND CONTINGENCIES

Concentrations and Credit Risk

Financial instruments, which potentially subject the Agency to concentrations of credit risk, principally consist of cash, pledges receivable, net, grants receivable, and beneficial interest in split-interest agreements. The Agency maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. As of December 31, 2023, approximately $4,587,000 of the funds reported in cash on the accompanying statement of financial position are deposited into an account in an insured cash sweep account program where the custodian places the funds into deposit accounts at separate third-party federally insured institutions. Each third-party institution deposits an amount below the federally insured limit. The Agency has not experienced any losses in such accounts.

Investment securities are exposed to various risks, such as interest rate, counterparty nonperformance, market and credit risks. Due to the level of risk associated with certain investment securities, and market volatility, it is at least reasonably possible that changes in the values of investment securities will occur in the near term.

NOTE 15 - SUBSEQUENT EVENT

The Agency received a signed naming gift agreement from a donor in January 2024 that will be utilized for a major expansion of the services provided by FamilyMatters in the Philadelphia, Pennsylvania region. The agreement will enable FamilyMatters to provide more services to children and families in need.

SUPPLEMENTAL INFORMATION

JEWISH ADOPTION AND FOSTER CARE OPTIONS, INC.
JAFCO CHILDREN'S FOUNDATION, INC.
JAFCO CHILDREN'S ABILITY CENTER, INC.
JAFCO/JEWISH ADOPTION AND FAMILY CARE OPTIONS, INC.

COMBINING STATEMENT OF FINANCIAL POSITION

December 31, 2023

	JEWISH ADOPTION AND FOSTER CARE OPTIONS, INC.	JAFCO CHILDREN'S FOUNDATION, INC.	JAFCO CHILDREN'S ABILITY CENTER, INC.	JAFCO/JEWISH ADOPTION AND FAMILY CARE OPTIONS, INC.	TOTAL BEFORE ELIMINATIONS	ELIMINATIONS	TOTAL
CURRENT ASSETS							
Cash	$ 1,544,481	$ 3,948,836	$ 467,402	$ 439,946	$ 6,400,665	$ -	$ 6,400,665
Investments	-	22,563,171	-	-	22,563,171	-	22,563,171
Pledges receivable, net	-	1,128,158	-	-	1,128,158	-	1,128,158
Grants receivable	279,770	11,741	456,371	-	747,882	-	747,882
Due from related party	-	200,000	-	-	200,000	(200,000)	-
Prepaid expenses	113,252	38,115	34,517	36,227	222,111	-	222,111
TOTAL CURRENT ASSETS	1,937,503	27,890,021	958,290	476,173	31,261,987	(200,000)	31,061,987
PROPERTY AND EQUIPMENT, net	122,427	18,932,358	155,703	9,192	19,219,680	-	19,219,680
PLEDGES RECEIVABLE, net, less current portion	-	7,024,256	-	-	7,024,256	-	7,024,256
BENEFICIAL INTEREST IN SPLIT-INTEREST AGREEMENTS	1,035,437	256,502	-	-	1,291,939	-	1,291,939
OTHER ASSETS	166,496	4,831	1,459	125,158	297,944	-	297,944
TOTAL ASSETS	$ 3,261,863	$ 54,107,968	$ 1,115,452	$ 610,523	$ 59,095,806	$ (200,000)	$ 58,895,806
CURRENT LIABILITIES							
Accounts payable and accrued expenses	$ 731,851	$ 288,281	$ 273,089	$ 139,129	$ 1,432,350	$ -	$ 1,432,350
Due to related party	-	-	200,000	-	200,000	(200,000)	-
Deferred revenue	229,528	-	8,702	-	238,230	-	238,230
TOTAL CURRENT LIABILITIES	961,379	288,281	481,791	139,129	1,870,580	(200,000)	1,670,580
OTHER LIABILITIES	401,921	59,835	-	32,835	494,591	-	494,591
TOTAL LIABILITIES	1,363,300	348,116	481,791	171,964	2,365,171	(200,000)	2,165,171
NET ASSETS							
Without donor restrictions	1,165,866	40,874,862	633,661	438,559	43,112,948	-	43,112,948
With donor restrictions	732,697	12,884,990	-	-	13,617,687	-	13,617,687
TOTAL NET ASSETS	1,898,563	53,759,852	633,661	438,559	56,730,635	-	56,730,635
TOTAL LIABILITIES AND NET ASSETS	$ 3,261,863	$ 54,107,968	$ 1,115,452	$ 610,523	$ 59,095,806	$ (200,000)	$ 58,895,806

See Independent Auditor's Report.

JEWISH ADOPTION AND FOSTER CARE OPTIONS, INC.
JAFCO CHILDREN'S FOUNDATION, INC.
JAFCO CHILDREN'S ABILITY CENTER, INC.
JAFCO/JEWISH ADOPTION AND FAMILY CARE OPTIONS, INC.

COMBINING STATEMENT OF ACTIVITIES

Year Ended December 31, 2023

	JEWISH ADOPTION AND FOSTER CARE OPTIONS, INC.	JAFCO CHILDREN'S FOUNDATION, INC.	JAFCO CHILDREN'S ABILITY CENTER, INC.	JAFCO/JEWISH ADOPTION AND FAMILY CARE OPTIONS, INC.	TOTAL BEFORE ELIMINATIONS	ELIMINATIONS	TOTAL
OPERATING REVENUES							
Government contracts and grants	$ 2,780,609	$ -	$ 3,763,156	$ 21,666	$ 6,565,431	$ -	$ 6,565,431
Fundraising	4,033,203	5,704,629	1,040,706	972,425	11,750,963	-	11,750,963
Client fees	-	-	88,073	6,913	94,986	-	94,986
Support from related parties	900,000	-	655,600	150,000	1,705,600	(1,705,600)	-
TOTAL OPERATING REVENUES	7,713,812	5,704,629	5,547,535	1,151,004	20,116,980	(1,705,600)	18,411,380
OPERATING EXPENSES							
Program	6,736,134	1,028,003	5,027,311	857,324	13,648,772	-	13,648,772
Fundraising	511,347	1,057,392	273,911	109,433	1,952,083	-	1,952,083
Management and general	516,953	75,812	385,445	93,521	1,071,731	-	1,071,731
Support to related parties	-	1,705,600	-	-	1,705,600	(1,705,600)	-
TOTAL OPERATING EXPENSES	7,764,434	3,866,807	5,686,667	1,060,278	18,378,186	(1,705,600)	16,672,586
OPERATING (LOSS) INCOME	(50,622)	1,837,822	(139,132)	90,726	1,738,794	-	1,738,794
INVESTMENT INCOME, NET	(5,628)	2,692,572	4,242	1,398	2,692,584	-	2,692,584
CHANGE IN NET ASSETS	(56,250)	4,530,394	(134,890)	92,124	4,431,378	-	4,431,378
NET ASSETS AT BEGINNING OF YEAR	1,954,813	49,229,458	768,551	346,435	52,299,257	-	52,299,257
NET ASSETS AT END OF YEAR	$ 1,898,563	$ 53,759,852	$ 633,661	$ 438,559	$ 56,730,635	$ -	$ 56,730,635

See Independent Auditor's Report.

JEWISH ADOPTION AND FOSTER CARE OPTIONS, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2023

ASSETS

CURRENT ASSETS		
Cash	$	1,544,481
Grants receivable		279,770
Prepaid expenses		113,252
TOTAL CURRENT ASSETS		1,937,503
PROPERTY AND EQUIPMENT, net		122,427
BENEFICIAL INTEREST IN SPLIT-INTEREST AGREEMENTS		1,035,437
OTHER ASSETS		166,496
TOTAL ASSETS	$	3,261,863

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued expenses	$	731,851
Deferred revenue		229,528
TOTAL CURRENT LIABILITIES		961,379
OTHER LIABILITIES		401,921
TOTAL LIABILITIES		1,363,300
NET ASSETS		
Without donor restrictions		1,165,866
With donor restrictions		732,697
TOTAL NET ASSETS		1,898,563
TOTAL LIABILITIES AND NET ASSETS	$	3,261,863

See Independent Auditor's Report.

JEWISH ADOPTION AND FOSTER CARE OPTIONS, INC.

STATEMENT OF ACTIVITIES

Year Ended December 31, 2023

	NET ASSETS WITHOUT DONOR RESTRICTIONS	NET ASSETS WITH DONOR RESTRICTIONS	TOTAL
OPERATING REVENUES			
Government contracts and grants	$ 2,780,609	$ -	$ 2,780,609
Fundraising	3,881,832	151,371	4,033,203
Support from related parties	900,000	-	900,000
TOTAL OPERATING REVENUES	7,562,441	151,371	7,713,812
OPERATING EXPENSES			
Program	6,736,134	-	6,736,134
Fundraising	511,347	-	511,347
Management and general	516,953	-	516,953
TOTAL OPERATING EXPENSES	7,764,434	-	7,764,434
OPERATING (LOSS) INCOME	(201,993)	151,371	(50,622)
INVESTMENT INCOME, NET	7,673	(13,301)	(5,628)
CHANGES IN NET ASSETS	(194,320)	138,070	(56,250)
NET ASSETS AT BEGINNING OF YEAR	1,360,186	594,627	1,954,813
NET ASSETS AT END OF YEAR	$ 1,165,866	$ 732,697	$ 1,898,563

See Independent Auditor's Report.

JAFCO CHILDREN'S FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2023

ASSETS

CURRENT ASSETS		
Cash	$	3,948,836
Investments		22,563,171
Pledges receivable, net		1,128,158
Grants receivable		11,741
Due from related party		200,000
Prepaid expenses		38,115
TOTAL CURRENT ASSETS		27,890,021
PROPERTY AND EQUIPMENT, net		18,932,358
PLEDGES RECEIVABLE, net, less current portion		7,024,256
BENEFICIAL INTEREST IN SPLIT-INTEREST AGREEMENTS		256,502
OTHER ASSETS		4,831
TOTAL ASSETS	$	54,107,968

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued expenses	$	288,281
OTHER LIABILITIES		59,835
TOTAL LIABILITIES		348,116
NET ASSETS		
Without donor restrictions		40,874,862
With donor restrictions		12,884,990
TOTAL NET ASSETS		53,759,852
TOTAL LIABILITIES AND NET ASSETS	$	54,107,968

See Independent Auditor's Report.

JAFCO CHILDREN'S FOUNDATION, INC.

STATEMENT OF ACTIVITIES

Year Ended December 31, 2023

	NET ASSETS WITHOUT DONOR RESTRICTIONS	NET ASSETS WITH DONOR RESTRICTIONS	TOTAL
OPERATING REVENUES			
Fundraising	$ 998,190	$ 4,706,439	$ 5,704,629
NET ASSETS RELEASED FROM RESTRICTION	7,372,005	(7,372,005)	-
OPERATING EXPENSES			
Program	1,028,003	-	1,028,003
Fundraising	1,057,392	-	1,057,392
Management and general	75,812	-	75,812
Support to related party	1,705,600	-	1,705,600
TOTAL OPERATING EXPENSES	3,866,807	-	3,866,807
OPERATING INCOME (LOSS)	4,503,388	(2,665,566)	1,837,822
INVESTMENT INCOME, NET	2,341,635	350,937	2,692,572
CHANGES IN NET ASSETS	6,845,023	(2,314,629)	4,530,394
NET ASSETS AT BEGINNING OF YEAR	34,029,839	15,199,619	49,229,458
NET ASSETS AT END OF YEAR	$ 40,874,862	$ 12,884,990	$ 53,759,852

See Independent Auditor's Report.

JAFCO CHILDREN'S ABILITY CENTER, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2023

ASSETS

CURRENT ASSETS		
Cash	$	467,402
Grants receivable		456,371
Prepaid expenses		34,517
TOTAL CURRENT ASSETS		958,290
PROPERTY AND EQUIPMENT, net		155,703
OTHER ASSETS		1,459
TOTAL ASSETS	$	1,115,452

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued expenses	$	273,089
Due to related party		200,000
Deferred revenue		8,702
TOTAL LIABILITIES		481,791
NET ASSETS		
Without donor restrictions		633,661
With donor restrictions		-
TOTAL NET ASSETS		633,661
TOTAL LIABILITIES AND NET ASSETS	$	1,115,452

See Independent Auditor's Report.

JAFCO CHILDREN'S ABILITY CENTER, INC.

STATEMENT OF ACTIVITIES

Year Ended December 31, 2023

	NET ASSETS WITHOUT DONOR RESTRICTIONS	NET ASSETS WITH DONOR RESTRICTIONS	TOTAL
OPERATING REVENUES			
Government contracts and grants	$ 3,763,156	$ -	$ 3,763,156
Fundraising	1,040,706	-	1,040,706
Client fees	88,073	-	88,073
Support from related parties	655,600	-	655,600
TOTAL OPERATING REVENUES	5,547,535	-	5,547,535
NET ASSETS RELEASED FROM RESTRICTION	117,629	(117,629)	-
OPERATING EXPENSES			
Program	5,027,311	-	5,027,311
Fundraising	273,911	-	273,911
Management and general	385,445	-	385,445
TOTAL OPERATING EXPENSES	5,686,667	-	5,686,667
OPERATING INCOME	(21,503)	(117,629)	(139,132)
INVESTMENT INCOME, NET	4,242	-	4,242
CHANGES IN NET ASSETS	(17,261)	(117,629)	(134,890)
NET ASSETS AT BEGINNING OF YEAR	650,922	117,629	768,551
NET ASSETS AT END OF YEAR	$ 633,661	$ -	$ 633,661

See Independent Auditor's Report.

JAFCO/JEWISH ADOPTION AND FAMILY CARE OPTIONS, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2023

ASSETS

CURRENT ASSETS		
Cash	$	439,946
Prepaid expenses		36,227
TOTAL CURRENT ASSETS		476,173
PROPERTY AND EQUIPMENT, net		9,192
OTHER ASSET		125,158
TOTAL ASSETS	$	610,523

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued expenses	$	139,129
OTHER LIABILITY		32,835
TOTAL LIABILITIES		171,964
NET ASSETS		
Without donor restrictions		438,559
With donor restrictions		-
TOTAL LIABILITIES AND NET ASSETS	$	610,523

See Independent Auditor's Report.

JAFCO/JEWISH ADOPTION AND FAMILY CARE OPTIONS, INC.

STATEMENT OF ACTIVITIES

Year Ended December 31, 2023

	NET ASSETS WITHOUT DONOR RESTRICTIONS	NET ASSETS WITH DONOR RESTRICTIONS	TOTAL
OPERATING REVENUES			
Government contracts and grants	$ 21,666	$ -	$ 21,666
Fundraising	972,425	-	972,425
Client fees	6,913	-	6,913
Support from related parties	150,000	-	150,000
TOTAL OPERATING REVENUES	1,151,004	-	1,151,004
OPERATING EXPENSES			
Program	857,324	-	857,324
Fundraising	109,433	-	109,433
Management and general	93,521	-	93,521
TOTAL OPERATING EXPENSES	1,060,278	-	1,060,278
OPERATING INCOME	90,726	-	90,726
INVESTMENT INCOME, NET	1,398	-	1,398
CHANGES IN NET ASSETS	92,124	-	92,124
NET ASSETS AT BEGINNING OF YEAR	346,435	-	346,435
NET ASSETS AT END OF YEAR	$ 438,559	$ -	$ 438,559

See Independent Auditor's Report.

MSL

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCEAND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees of
Jewish Adoption and Foster Care Options, Inc.
JAFCO Children's Foundation, Inc.
JAFCO Children's Ability Center, Inc.
JAFCO/Jewish Adoption and Family Care Options, Inc.
Sunrise, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the combined financial statements of Jewish Adoption and Foster Care Options, Inc., JAFCO Children's Foundation, Inc., JAFCO Children's Ability Center, Inc. and JAFCO/Jewish Adoption and Family Care Options, Inc. (nonprofit organizations) (collectively, the "Agency"), which comprise the combined statements of financial position as of December 31, 2023, and the related combined statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements, and have issued our report thereon dated May 8, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the combined financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

To the Board of Trustees of
Jewish Adoption and Foster Care Options, Inc.
JAFCO Children's Foundation, Inc.
JAFCO Children's Ability Center, Inc.
JAFCO/Jewish Adoption and Family Care Options, Inc.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's combined financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the combined financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

MSL, P.A.

Certified Public Accountants

Fort Lauderdale, Florida
May 8, 2024