

FJC

Financial Statements

March 31, 2025

Independent Auditors' Report

Board of Directors
FJC

Opinion

We have audited the accompanying financial statements of FJC, which comprise the statement of financial position as of March 31, 2025 and the related statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of FJC as of March 31, 2025 and the results of its operations 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. 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 FJC 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 FJC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of FJC'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 FJC'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 FJC's March 31, 2024, financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 13, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary schedules on pages 29 - 31 are presented for the purpose of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

PKF O'Connor Davies, LLP

November 10, 2025

FJC

Statement of Financial Position March 31, 2025 (With comparative amounts at March 31, 2024)

	2025	2024
ASSETS		
Cash and cash equivalents	\$ 797,338	\$ 5,055,847
Investments	427,732,347	387,638,205
Program-related investments held for sale, net	9,408,304	9,278,139
Contribution receivable, net	986,531	1,933,332
Loans receivable, net of allowance of credit losses of \$110,232 in 2024	19,588,288	19,510,117
Accrued interest	183,812	362,774
Loan held for sale, net of allowance of credit losses of \$156,186 in 2024	-	2,909,224
Beneficial interest in third-party trusts	1,829,469	2,041,189
Other assets	134,697	97,774
Right-of-use asset, net	1,171,964	1,305,866
Fixed assets, net	438,648	177,013
	<u>\$ 462,271,398</u>	<u>\$ 430,309,480</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Grants payable	\$ -	\$ 471,938
Accrued expenses	135,592	131,736
Deferred revenue	143,359	53,380
Operating lease liability	1,290,841	1,412,046
Assets held for others	38,668,611	43,135,848
Total Liabilities	<u>40,238,403</u>	<u>45,204,948</u>
Net Assets		
Without Donor Restrictions		
Donor-advised funds	373,448,108	338,363,700
Board-designated funds	37,232,586	35,212,793
General funds	8,536,301	7,543,518
Total Without Donor Restrictions	419,216,995	381,120,011
With donor restrictions	2,816,000	3,984,521
Total Net Assets	<u>422,032,995</u>	<u>385,104,532</u>
	<u>\$ 462,271,398</u>	<u>\$ 430,309,480</u>

See notes to financial statements

FJC

Statement of Activities Year Ended March 31, 2025 (With summarized totals for the year ended March 31, 2024)

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT AND REVENUE				
Contributions	\$ 63,295,977	\$ -	\$ 63,295,977	\$ 48,184,587
Management fees	271,518	-	271,518	328,609
Investment Return				
Loan interest	2,328,393	-	2,328,393	2,197,265
Interest and dividend, net	8,716,532	-	8,716,532	6,327,508
Net realized and unrealized gain	10,868,320	-	10,868,320	39,449,847
Change in value of beneficial interest in third-party trusts	-	(1,095)	(1,095)	(117,372)
Net assets released from donor restrictions	1,167,426	(1,167,426)	-	-
Total Support and Revenue	<u>86,648,166</u>	<u>(1,168,521)</u>	<u>85,479,645</u>	<u>96,370,444</u>
EXPENSES				
Program Services				
Donor advised funds	33,936,505	-	33,936,505	34,994,144
Fiscal sponsorship program	12,791,215	-	12,791,215	11,352,229
Agency loan funds	506,948	-	506,948	490,000
Total Program Services	<u>47,234,668</u>	<u>-</u>	<u>47,234,668</u>	<u>46,836,373</u>
Supporting Services				
General and administrative	1,319,662	-	1,319,662	1,356,740
Fundraising	107,084	-	107,084	97,101
Total Supporting Services	<u>1,426,746</u>	<u>-</u>	<u>1,426,746</u>	<u>1,453,841</u>
Total Expenses	<u>48,661,414</u>	<u>-</u>	<u>48,661,414</u>	<u>48,290,214</u>
Change in Net Assets Before Other Changes	37,986,752	(1,168,521)	36,818,231	48,080,230
OTHER CHANGES				
Recovery of bad debt expense on loan receivable	110,232	-	110,232	-
Bad debt expense on loan receivable	-	-	-	(266,418)
Change in Net Assets	38,096,984	(1,168,521)	36,928,463	47,813,812
NET ASSETS				
Beginning of year	<u>381,120,011</u>	<u>3,984,521</u>	<u>385,104,532</u>	<u>337,290,720</u>
End of year	<u>\$ 419,216,995</u>	<u>\$ 2,816,000</u>	<u>\$ 422,032,995</u>	<u>\$ 385,104,532</u>

See notes to financial statements

FJC

Statement of Functional Expenses
Year Ended March 31, 2025
(With summarized totals for the year ended March 31, 2024)

	2025							2024	
	Program Services				Supporting Services			Total Expenses	Total Expenses
	Donor Advised Funds	Fiscal Sponsorship Program	Agency Loan Funds	Total	General and Administrative	Fundraising	Total		
Grants	\$ 33,445,461	\$ 12,360,930	\$ -	\$ 45,806,391	\$ -	\$ -	\$ -	\$ 45,806,391	\$ 45,502,156
Salaries	209,728	247,658	319,359	776,745	769,230	56,488	825,718	1,602,463	1,559,935
Employee benefits	49,705	51,564	51,155	152,424	150,534	9,939	160,473	312,897	280,099
Payroll taxes	15,305	18,417	22,487	56,209	55,852	3,395	59,247	115,456	108,862
Professional fees	15,459	7,729	7,729	30,917	187,329	33,000	220,329	251,246	281,851
Pension plan contributions	6,457	7,625	9,833	23,915	23,222	1,739	24,961	48,876	41,209
Office rent and facilities expense	77,977	38,989	38,989	155,955	38,986	-	38,986	194,941	192,639
Office expense	13,755	6,521	6,521	26,797	14,258	2,523	16,781	43,578	49,670
Computer license and support	64,993	32,497	32,497	129,987	35,497	-	35,497	165,484	148,142
Insurance	10,439	5,220	5,220	20,879	14,968	-	14,968	35,847	34,120
Postage	639	639	639	1,917	638	-	638	2,555	2,595
Equipment rental and maintenance	3,745	1,872	1,872	7,489	1,872	-	1,872	9,361	3,745
Staff development, travel, and hospitality	7,758	3,187	3,115	14,060	8,203	-	8,203	22,263	23,101
Subscription and membership fees	-	835	-	835	11,541	-	11,541	12,376	25,712
Depreciation and amortization	15,064	7,532	7,532	30,128	7,532	-	7,532	37,660	36,120
Miscellaneous expense	20	-	-	20	-	-	-	20	258
	<u>\$ 33,936,505</u>	<u>\$ 12,791,215</u>	<u>\$ 506,948</u>	<u>\$ 47,234,668</u>	<u>\$ 1,319,662</u>	<u>\$ 107,084</u>	<u>\$ 1,426,746</u>	<u>\$ 48,661,414</u>	<u>\$ 48,290,214</u>

See notes to financial statements

FJC

Statement of Cash Flows Year Ended March 31, 2025 (With comparative amounts for the year ended March 31, 2024)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 36,928,463	\$ 47,813,812
Adjustments to reconcile change in net assets		
net cash from operating activities:		
Depreciation and amortization	37,660	36,120
Bad debt expense on loan receivable	-	266,418
Recovery of bad debt expense on loan receivable	(110,232)	-
Net realized and unrealized gains	(10,868,320)	(39,449,847)
Amortization of discount on program-related investments held for sale	(130,165)	(138,901)
Present value discount on contribution receivable	(53,199)	66,668
Reduction in the carrying value of right-of-use asset	133,902	130,767
Reduction in the carrying value of right-of-use liability	(121,205)	(113,927)
Change in value of beneficial interest in third-party trusts	1,095	117,372
Donated securities	(33,674,388)	(17,525,595)
Changes in operating assets and liabilities		
Contribution receivable	1,000,000	(2,000,000)
Accrued interest	178,962	(44,430)
Grants payable	(471,938)	471,938
Other assets	(36,923)	81,312
Accrued expenses	3,856	30,728
Deferred revenue	89,979	3,661
Assets held for others	(4,467,237)	(6,122,862)
Net Cash from Operating Activities	(11,559,690)	(16,376,766)
CASH FLOWS FROM INVESTING ACTIVITIES		
Advances on loans receivable	(14,604,859)	(10,833,617)
Repayments on loans receivable	14,636,920	12,750,284
Purchase of equipment	(299,295)	(17,436)
Distributions from beneficial interest in third-party trusts	210,625	198,098
Additions to loan held for sale	(106,633)	-
Proceeds from loan held for sale	3,015,857	(2,909,224)
Proceeds from sales of investments	169,682,791	161,031,604
Purchases of investments	(165,234,225)	(140,712,141)
Net Cash from Investing Activities	7,301,181	19,507,568
Net Change in Cash and Cash Equivalents	(4,258,509)	3,130,802
CASH AND CASH EQUIVALENTS		
Beginning of year	5,055,847	1,925,045
End of year	\$ 797,338	\$ 5,055,847

See notes to financial statements

FJC

Notes to Financial Statements

March 31, 2025

(With comparative amounts for the year ended March 31, 2024)

1. Nature of Organization and Tax Status

FJC, a not-for-profit organization, was incorporated in 1995 for the primary purpose of assisting families and individuals by providing total management of their charitable giving, helping them take full advantage of available tax benefits and helping them serve the charitable needs of the community.

FJC's mission is to:

- Increase and maximize the impact of charitable dollars;
- Create innovative and customized philanthropic solutions; and
- Respond effectively to the needs and interests of donors, borrowers, and other clients.

Funds may be contributed to FJC to establish donor-advised funds. Donor-advised funds are invested in various ways based on donor recommendations. A donor may recommend that grants are made to charitable organizations from funds contributed, although FJC is not obligated to make such grants. Accordingly, such amounts are classified within FJC's net assets without donor restrictions.

Funds may be contributed to FJC to establish a Fiscal Sponsorship Program. Fiscal sponsors advance the public benefit by facilitating the development and growth of charitable, mission-driven activities. FJC's Fiscal Sponsorship Program assists projects and organizations that have not yet received their 501(c)(3) determination letter from the Internal Revenue Service ("IRS") and permits sponsored programs to legally solicit and benefit from charitable contributions from individuals and grants from private foundations and other funding institutions.

For donor-advised funds and the Fiscal Sponsorship Program, FJC has ultimate authority over the selection of charities to receive funds as well as the timing and amounts of the distributions. Accordingly, such amounts are classified within FJC's net assets without donor restrictions. FJC distributes funds contributed, and income earned on these funds to charitable organizations described in Sections 501(c)(3) and 509(a)(1), (2) or (3) of the Internal Revenue Code (the "Sections"). Funds may be distributed to an organization other than as described in these Sections if such organization's mission is in keeping with the charitable purposes of FJC and the organization agrees to use the grant only in the furtherance of its stated and approved purposes, return any funds not used in this manner, and provide an accounting of the use of the funds no later than one year from the date of the grant.

Tax-Exempt Status

The Internal Revenue Service has ruled that FJC is a Section 501(c)(3) organization, exempt from federal income tax under Section 501(a). In addition, FJC is organized under the not-for-profit laws of New York State and as such, is exempt from taxes for New York State and City income tax purposes.

FJC

Notes to Financial Statements

March 31, 2025

(With comparative amounts for the year ended March 31, 2024)

2. Summary of Significant Accounting Policies

Basis of Accounting and Use of Estimates

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Some of the more significant estimates required to be made by management include the allowance for credit losses for loans receivable.

Net Assets

FJC's net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of FJC and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions - consist of funds that are expendable at the discretion of FJC for carrying out daily operations. General funds represent net assets without donor restrictions that are available for charitable use or supporting services of FJC. Donor-advised funds, in which FJC maintains variance power, are not subject to donor-imposed restrictions. Included in net assets without donor restrictions, is a board-designated fund with balances of \$37,232,586 and \$35,212,793 as of March 31, 2025 and 2024, respectively. Of such amounts, \$5,661,120 and \$5,206,898 were held as of March 31, 2025 and 2024, respectively, to provide additional credit support for the Agency Loan Fund. The remaining balance of board-designated funds may be used as determined by FJC's Board of Directors.

Net Assets with Donor Restrictions - resources that have been limited by donor-imposed stipulations that either expire with the passage of time or can be fulfilled and removed by the actions of FJC pursuant to those stipulations.

Net assets with donor restrictions may also include funds whereby the donors have stipulated that the principal contributed be invested and maintained in perpetuity. As of and for the years ended March 31, 2025 and 2024, FJC had no such funds.

Cash Equivalents

Cash equivalents are defined as short-term investments held by FJC for operating use with maturities of three months or less when purchased, except for those cash equivalents which are included in FJC's investment portfolio, which are held for long-term investment purposes.

FJC

Notes to Financial Statements

March 31, 2025

(With comparative amounts for the year ended March 31, 2024)

2. Summary of Significant Accounting Policies *(continued)*

Investments and Investment Returns

Investments in publicly traded debt and equity securities are recorded at fair value determined on the basis of quoted market prices. Investments that are not readily marketable are recorded at net asset value ("NAV") per share as a practical expedient to fair value as determined by the respective limited partnership, hedge fund or fund manager. Because such investments are not readily marketable, their estimated value is subject to uncertainty and therefore may differ from the value that would have been used had a ready market for such investments existed. Such differences could be material. However, the risk to FJC is limited to the amount of FJC's investment in each of the respective funds with respect to its ownership interests.

Certificates of deposits are valued using level 2 inputs based on the discounted value of contractual cash flows estimated using rates offered for similar deposits of similar remaining maturities. Purchases and sales of securities are reflected on a trade date basis. Gains and losses on sales of securities are recorded in the statement of activities in the period in which the securities are sold. Dividends and interest are recognized as earned.

Program-Related Investments Held for Sale

Donors of FJC may recommend that funds from donor-advised accounts be utilized for program-related investments. These program-related investments consist of bonds to not-for-profit organizations that bear below-market interest rates. Program-related investments are recorded at their net present value at the date bond proceeds are disbursed and are discounted using an appropriate discount rate. The bonds are adjusted during the term of the bond for repayments received as well as the change in the present value discount due to the passage of time. During 2024, program-related investments were determined to be held for sale. As such, it has been recorded at fair value which was determined to be the present value of bonds.

Fair Value Measurements

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 820 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. This standard provides a consistent definition of fair value, which focuses on an exit price between market participants in an orderly transaction. In fair valuing its investments, FJC uses a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

FJC

Notes to Financial Statements
March 31, 2025
(With comparative amounts for the year ended March 31, 2024)

2. Summary of Significant Accounting Policies *(continued)*

Fair Value Measurements (continued)

The three levels of the fair value hierarchy used by FJC are described below:

Level 1 – Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market (most reliable and objective valuation).

Level 2 – Financial assets and liabilities whose values are based on the following:

- a. Quoted prices for similar assets or liabilities in active markets;
- b. Quoted prices for identical or similar assets or liabilities in non-active markets;
- c. Pricing models whose inputs are observable for substantially the full term of the asset or liability; and
- d. Pricing models whose inputs are derived principally from or corroborated by observable market data through correlation or other means for substantially the full term of the asset or liability, and pro rata interest in a private or affiliated investment fund.

Level 3 – Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the asset or liability.

Investments are classified within the level of the lowest significant input considered in determining the fair value. In evaluating the level at which FJC's investments have been classified, FJC has assessed factors including, but not limited to, price transparency, subscription activity, redemption activity and the existence or absence of certain restrictions such as a gate or lockup period.

Loans Receivable and Allowance for Credit Losses

Loans receivable is recorded at amortized cost less an allowance for credit losses that are not expected to be recovered. The amount of loans receivable and corresponding allowance for credit losses are presented on the statement of financial position. FJC maintains allowances for credit losses resulting from the expected failure or inability of its borrowers to make the required payments. FJC recognizes the allowance for credit losses at inception and reassess at every reporting date based on the loans' expected collectability.

FJC

Notes to Financial Statements
March 31, 2025
(With comparative amounts for the year ended March 31, 2024)

2. Summary of Significant Accounting Policies *(continued)*

Loans Receivable and Allowance for Credit Losses (continued)

The allowance is based on multiple factors including historical experience with uncollectible loans, the credit quality of the borrower, the aging of such receivable and current macroeconomic conditions, current and expected future changes to the Prime Rate, as well as, expectations of conditions in the future, if applicable. FJC's allowance for credit losses is based on the assessment of the collectability of assets pooled together with similar risk characteristics.

FJC records a provision for expected credit losses using a historical loss-rate method based on the ratio of its historical write-offs to its average loan receivable. At each reporting period, FJC assesses whether financial assets in a pool continue to display similar risk characteristics. If a particular loan no longer displays risk characteristics that are similar to those of the receivable in the pool, FJC may determine that it needs to move those receivables to a different pool or perform an individual assessment of expected credit losses for those specific loans.

FJC's loans receivable is written off only when all collection attempts have failed or FJC obtains information that indicates the borrower is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from loans previously written off, they will be recognized in income or an offset to credit loss expense in the year of recovery, in accordance with FJC's account policy election. During the fiscal year ending March 31, 2024, FJC had written off a total of \$611,796 of loans and related interest receivable. There was no loan write offs for the fiscal year ending March 31, 2025.

In fiscal year 2024, FJC reclassified a loan receivable from a borrower to Loan Held for Sale. The loan was in a default status and accruing interest at the default rate of 18%. At March 31, 2024, FJC established an allowance of \$156,186, representing the difference in accrued interest of prime plus 3% and the default rate of 18%. In July 2024, the loan was sold to a third-party private foundation for \$3,015,857, representing principal balance of \$2,568,693 and accrued interest of \$447,164. The 2024 provision for credit losses of \$156,186 was charged to bad debt expense, while the 2025 provision for credit losses of \$47,682 was recorded as a reduction of interest income, representing the difference between total interest accrued at the default rate and the interest accrued at prime plus 3% through the date of sale

At March 31, 2024, FJC recognized an allowance for a loan with an outstanding principal balance of \$110,232. During the fiscal year ending March 31, 2025, the loan was paid in full, and accordingly, FJC has recognized a recovery of bad debt expense in the statement of activities for the year ending March 31, 2025 of \$110,232.

Since its inception, certain loans that were determined by FJC to be potentially impaired were purchased in full by a private foundation, including principal and all accrued interest.

FJC

Notes to Financial Statements
March 31, 2025
(With comparative amounts for the year ended March 31, 2024)

2. Summary of Significant Accounting Policies *(continued)*

Loans Receivable and Allowance for Credit Losses (continued)

In addition, the private foundation has pledged a security interest to FJC in certain securities in a pledged collateral account, with an independent financial institution, that is hypothecated to FJC in the event of default of any Agency Loan pool loan receivable. The security interest pledged covers the outstanding principal balances and the market value of the securities pledged are sufficient which enhances FJC's loan portfolio's credit.

The following table provides a roll-forward of the allowance for credit losses that is deducted from loans receivable to present the net amount expected to be collected for the year ended March 31, 2025.

Balance at beginning of the year	\$ 110,232
Recoveries	(110,232)
Balance at end of period or year	<u>\$ -</u>

Loan Held for Sale

FJC has one loan held for sale totaling \$3,065,410 at March 31, 2024. The loan consists of a principal balance of \$2,548,821 and accrued interest of \$516,589 at March 31, 2024. The loan held exclusively by the agency loan fund and is accruing interest at a default rate of 18%. FJC was notified by a third-party private foundation of its intent to purchase the outstanding loan principal and accrued interest receivable as calculated at Prime + 3%. As such, an allowance for credit losses of \$156,186 was established at March 31, 2024 to represent the expected loss between the default rate and interest purchased by the private foundation. During 2025, FJC advanced another \$19,872 in principal and the loan accrued interest of \$85,894 as well as default interest of \$48,549. On July of 2024, FJC sold the loan to a private foundation for \$3,015,857, representing a principal balance of \$2,568,693 and accrued interest of \$447,164 as of July 14, 2024. Accordingly, FJC wrote off the remaining \$203,868, which was the accumulated default interest incurred on the loan through date of sale.

The following table provides a roll-forward of the allowance for credit losses that is deducted from loans held for sale to present the net amount expected to be collected for the year ended March 31, 2025.

Balance at beginning of the year	\$ 156,186
Provision for expected credit losses, charged against interest income	47,682
Amounts written off charged against the allowance	(203,868)
Balance at end of period or year	<u>\$ -</u>

FJC

Notes to Financial Statements

March 31, 2025

(With comparative amounts for the year ended March 31, 2024)

2. Summary of Significant Accounting Policies *(continued)*

Assets Held for Others

Assets held for others are funds received from not-for-profit organizations, some of which have transferred funds to FJC for the purpose of investing in FJC's agency loan fund, which is available to provide secured interest-bearing loans to charitable organizations. These funds can be redeemed by the participants in accordance with FJC's policies. FJC does not have variance power over the use of these assets.

Beneficial Interest in Third-Party Trusts

FJC is a beneficiary of a number of irrevocable charitable lead trusts held by third parties. On the dates on which these charitable trusts were established, contributed revenues and receivables are recognized at the present value of the estimated future benefits to be received by FJC, discounted using an appropriate discount rate. The receivable is adjusted during the term of the trusts for amounts received as well as the change in the present value discount due to the passage of time.

Fixed Assets

Fixed assets consisting of furniture and fixtures, equipment, software, and leasehold improvements are stated at cost less accumulated depreciation and amortization. Additions and improvements costing more than \$10,000 and with estimated useful lives greater than three years are capitalized. FJC provides for depreciation and amortization of furniture, fixtures, equipment, and software on a straight-line basis over the estimated useful lives of the assets ranging from three to ten years. Amortization of leasehold improvements is provided on a straight-line basis over the lesser of the term of the lease or the estimated useful lives of the improvements and included with depreciation. Repairs and maintenance that do not improve or extend the life of the respective asset are charged to expense as incurred.

Website Costs

Website costs related to application development, site configuration and infrastructure, and conceptual design are capitalized. Costs relating to the operation and support are expensed as incurred. FJC capitalizes website costs that have a cost of \$10,000 or more and an estimated useful life of greater than three years. Capitalized costs are amortized over a seven-year expected life using the straight-line method.

Software Development Cost

FJC capitalizes certain costs incurred during the application-development stage of internal-use software projects, including eligible external direct costs of materials, services and subscriptions. Costs incurred during the preliminary-project and post-implementation/operations stages are expensed as incurred.

FJC

Notes to Financial Statements

March 31, 2025

(With comparative amounts for the year ended March 31, 2024)

2. Summary of Significant Accounting Policies *(continued)*

Software Development Cost (continued)

Capitalized internal-use software costs are recorded in fixed assets and are amortized on a straight-line basis over the software's estimated useful life, which is generally 7-10 years. Amortization begins when the software is placed in service (i.e., when it is ready for its intended use). FJC evaluates capitalized internal-use software for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Amortization expense is recorded as depreciation and amortization in the statement of functional expense. Costs relating to the operation and support are expensed as incurred.

Revenue Recognition

FJC recognizes revenue in accordance with U.S. GAAP. In accordance with U.S. GAAP, FJC evaluates whether a transfer of assets is (1) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred or (2) a contribution. If the transfer of assets is determined to be an exchange transaction, FJC applies guidance under ASC 606 Revenue from Contracts with Customers. If the transfer of assets is determined to be a contribution, FJC evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before FJC is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets.

Contributions and unconditional promises to give are recognized as revenue in the period received. Conditional contributions and promises to give are recorded as revenue when the conditions on which they depend have been substantially met. Contributions of non-monetary assets are recorded at the estimated fair value of the assets contributed. There was no contract assets and/or liabilities at March 31, 2025 and 2024.

Management Fees (Revenue from Contracts with Customers)

FJC recognizes revenue in the form of management fees from its eleemosynary fund accounts ("EFA"). The fees are based on a percentage of the average daily balance in the account, calculated and assessed quarterly. EFA fee rates range from .45% to 1% annually based upon funds investment allocation. The revenue is recognized over time as management services are provided.

Accounting for Uncertainty in Income Taxes

FJC recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that FJC had no uncertain tax positions that would require financial statement recognition or disclosure. FJC is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to March 31, 2022.

FJC

Notes to Financial Statements

March 31, 2025

(With comparative amounts for the year ended March 31, 2024)

2. Summary of Significant Accounting Policies *(continued)*

Leases

FJC determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use ("ROU") assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. FJC does not report ROU assets and leases liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

ROU assets represent the right to use an underlying asset for the lease term and are recognized in an amount equal to the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The present value of the lease liability is determined using the risk-free discount rate at lease inception for operating leases.

Functional Expenses

The costs, including depreciation and amortization expense, of providing FJC's various grants, programs and supporting services are summarized on a functional basis in the accompanying statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, direct costs have been allocated to the program and supporting services based on the nature of each expense. Indirect expenses such as occupancy and IT costs have been allocated on the basis of utilization of resources by each FJC department and by employee time allocations.

Grants and Program Expenses

Grants are made to support not-for-profit organizations and charitable needs and are recorded when awarded via approval by FJC's grants committee. Grants expensed have no conditions or barriers to the recipients of these grants to overcome. In addition, grants are made to charitable organizations as recommended by donors in conjunction with donor-advised funds. Certain administrative costs that relate to making grants to philanthropic organizations have been allocated to program expenses on the basis of salaries and other bases as determined by FJC's management to be appropriate.

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with FJC's financial statements as of and for the year ended March 31, 2024, from which the summarized information was derived.

FJC

Notes to Financial Statements

March 31, 2025

(With comparative amounts for the year ended March 31, 2024)

2. Summary of Significant Accounting Policies *(continued)*

Subsequent Events

FJC evaluated its March 31, 2025, financial statements for subsequent events through November 10, 2025, the date the financial statements were available to be issued. FJC is not aware of any material subsequent events which would require recognition or disclosure in the accompanying financial statements, other than disclosed herein.

3. Concentration of Credit Risk

Financial instruments which potentially subject FJC to concentrations of credit risk consist of cash and cash equivalents, investments and receivables. FJC maintains its cash and cash equivalents in various accounts which, at times, may exceed federally insured limits of \$250,000. At June 30, 2025 and 2024, FJC's uninsured cash and cash equivalents on deposit totaled approximately \$21 thousand and \$4.8 million. FJC also holds interests in uninsured money market mutual funds that are held in accounts at brokerage firms and are reported with investments in the accompanying statement of financial position. The accounts at the brokerage firms are covered by SIPC insurance up to \$500,000.

As of March 31, 2025 and 2024, FJC held accounts totaling \$271,517,337 and \$247,366,119, respectively, with Merrill Lynch and Bank of America Corporation. FJC has other investment accounts with balances above the limit covered by SIPC insurance. The investment portfolio is diversified by type of investments and industry concentrations so that no individual investment or group of investments represents a significant concentration of risk.

Receivables are expected to be collected in the normal course of business.

4. Program-Related Investments Held for Sale

Program-related investments consist of bonds acquired by FJC in November 2020 that were issued by a local development corporation, organized under the Not-for-Profit Laws of the State of New York on behalf of another 501(c)(3) organization. The bonds were originally issued with interest rates ranging from 2.79% - 3.05%, and an original maturity date of November 1, 2045. The face value of the bonds is \$9,488,093. The agreement for FJC to purchase the bonds calls for a purchase price of \$9,491,520, modifies the rate to a fixed interest rate of 1% through December 2025, eliminates bond principal payments until December 2025, and provides FJC the ability to sell the bonds at the end of 5 years. FJC intends to sell the bonds at the end of the five years, and accordingly recognized a present value discount of \$652,466 at the time of purchase, which represents the difference between the original interest rates at the time the bonds were issued and the current rate of 1% over the five years. FJC intends to sell the bonds within the next 12 months, and accordingly has reclassified the net present value to Program Related Investments Held for Sale. At March 31, 2025 and 2024, the net balance of FJC's program-related investments was \$9,408,304 and \$9,278,139, respectively.

FJC

Notes to Financial Statements March 31, 2025 (With comparative amounts for the year ended March 31, 2024)

4. Program-Related Investments Held for Sale *(continued)*

Expected future payments and amortization of the discount for March 31, 2026 is \$64,572 and \$83,215, respectively.

Subsequent to year end, on November 1, 2025, FJC entered into a new bond agreement resulting in the repayment of principal totaling \$7,499,300. Following this transaction, the bond has an outstanding principal balance of \$1,988,793, bearing interest at a rate of 4%. The agreement also extends the maturity date to November 1, 2028, providing the borrower additional time to secure a buyer for the bonds.

5. Investments

The following is a summary of investments, at fair value, at March 31:

	2025	2024
Cash equivalents	\$ 1,736,104	\$ 3,039,168
U.S. equities and preferred stock	72,074,358	65,014,550
International equities	6,018,379	5,867,242
Exchange-traded funds	7,043,359	32,921,949
U.S. government securities	27,135,335	32,553,433
Corporate and municipal bonds	6,585,292	3,063,638
U.S. equities - short positions	(60,585)	(25,270)
	<u>120,532,242</u>	<u>142,434,710</u>
Mutual Funds		
Money market	110,614,988	90,796,683
U.S. equities	84,216,643	64,673,428
International equities	16,825,702	3,868,412
Fixed income	36,573,614	30,762,794
	<u>248,230,947</u>	<u>190,101,317</u>
Alternative Investments		
Hedge funds	47,079,180	49,208,834
Private equity	9,493,516	1,643,263
Private companies	1,146,463	405,000
	<u>57,719,159</u>	<u>51,257,097</u>
Transactions to be settled	<u>1,249,999</u>	<u>2,800,000</u>
Certificates of deposit	<u>-</u>	<u>1,045,081</u>
Total Investments	<u>\$ 427,732,347</u>	<u>\$ 387,638,205</u>

FJC

Notes to Financial Statements

March 31, 2025

(With comparative amounts for the year ended March 31, 2024)

5. Investments (*continued*)

Non-marketable equity securities consist of investments in privately held companies without readily determinable market values. FJC adjusts the carrying value of non-marketable equity securities up or down for observable price changes in orderly transactions for identical or similar investments of the same issuer and for impairment, if any (referred to as the measurement alternative). Determining whether an observed transaction is similar to a security within the portfolio requires judgment based on the rights and obligations of the securities. Recording upward and downward adjustments to the carrying value of our equity securities as a result of observable price changes requires quantitative assessments of the fair value of the securities using various valuation methodologies and involves the use of estimates. Nonmarketable equity securities under the measurement alternative are also assessed for impairment.

During fiscal 2016, FJC was the recipient of various shares of stock in a privately held company for which it has no ability to redeem. While reasonable efforts were made, FJC was unable to obtain sufficient information to measure the fair value of such interests as of the date of the contribution or its subsequent measurement date (i.e., March 31, 2025 and 2024). Accordingly, FJC has not recorded its interest in the privately held company in the accompanying financial statements.

FJC invests in certain alternative investments, including investments through funds of funds and limited partnerships. Through these investments, FJC is indirectly involved in investment activities such as securities lending, short sales of securities, options, warrants, trading in futures and forwards contracts, swap contracts, and other derivative products. Derivatives are tools used to maintain asset mix or adjust portfolio risk exposure. While these financial instruments may contain varying degrees of risk, FJC's risk with respect to such transactions is limited to its carrying value in each investment.

FJC

Notes to Financial Statements March 31, 2025 (With comparative amounts for the year ended March 31, 2024)

5. Investments (continued)

The following table presents FJC's fair value hierarchy for those investments measured at fair value on a recurring basis at March 31:

	2025				Total
	Level 1	Level 2	Level 3	Net Asset Value*	
U.S. equities and preferred stock	\$ 72,074,358	\$ -	\$ -	\$ -	\$ 72,074,358
International equities	6,018,379	-	-	-	6,018,379
Exchange-traded funds	7,043,359	-	-	-	7,043,359
U.S. government securities	27,135,335	-	-	-	27,135,335
Corporate and municipal bonds	-	6,585,292	-	-	6,585,292
U.S. equities - short positions	(60,585)	-	-	-	(60,585)
Mutual Funds:					
Money market	110,614,988	-	-	-	110,614,988
U.S. equities	84,216,643	-	-	-	84,216,643
International equities	16,825,702	-	-	-	16,825,702
Fixed income	36,573,614	-	-	-	36,573,614
Alternative Investments:					
Hedge funds	-	-	-	47,079,180	47,079,180
Private equity	-	-	-	9,493,516	9,493,516
Private companies	-	-	1,146,463	-	1,146,463
Total Investments at Fair Value	360,441,793	6,585,292	1,146,463	56,572,696	424,746,244
Transactions to be settled	-	-	-	-	1,249,999
Cash equivalents, at cost	-	-	-	-	1,736,104
Total Investments	<u>\$ 360,441,793</u>	<u>\$ 6,585,292</u>	<u>\$ 1,146,463</u>	<u>\$ 56,572,696</u>	<u>\$ 427,732,347</u>
	2024				Total
	Level 1	Level 2	Level 3	Net Asset Value*	
U.S. equities and preferred stock	\$ 65,014,550	\$ -	\$ -	\$ -	\$ 65,014,550
International equities	5,867,242	-	-	-	5,867,242
Exchange-traded funds	32,921,949	-	-	-	32,921,949
U.S. government securities	32,553,433	-	-	-	32,553,433
Corporate and municipal bonds	-	3,063,638	-	-	3,063,638
U.S. equities - short positions	(25,270)	-	-	-	(25,270)
Mutual Funds:					
Money market	90,796,683	-	-	-	90,796,683
U.S. equities	64,673,428	-	-	-	64,673,428
International equities	3,868,412	-	-	-	3,868,412
Fixed income	30,762,794	-	-	-	30,762,794
Alternative Investments:					
Hedge funds	-	-	-	49,208,834	49,208,834
Private equity	-	-	-	1,643,263	1,643,263
Private companies	-	-	405,000	-	405,000
Certificates of deposit	-	1,045,081	-	-	1,045,081
Total Investments at Fair Value	326,433,221	4,108,719	405,000	50,852,097	381,799,037
Transactions to be settled	-	-	-	-	2,800,000
Cash equivalents, at cost	-	-	-	-	3,039,168
Total Investments	<u>\$ 326,433,221</u>	<u>\$ 4,108,719</u>	<u>\$ 405,000</u>	<u>\$ 50,852,097</u>	<u>\$ 387,638,205</u>

FJC

Notes to Financial Statements March 31, 2025 (With comparative amounts for the year ended March 31, 2024)

5. Investments (continued)

* In accordance with ASC Subtopic 820-10, investments measured at fair value using NAV per share as a practical expedient have not been categorized in the fair value hierarchy.

A reconciliation of Level 3 investments is as follows for the years ended March 31:

2025						
	Beginning Balance at March 31, 2024	Realized and Unrealized Loss	Purchases (Including Contributions)	Sales (Including Withdrawals)	Net Transfers In (Out) of Level 3	Ending Balance at March 31, 2025
Private companies	\$ 405,000	\$ -	\$ 741,463	\$ -	\$ -	\$ 1,146,463
2024						
	Beginning Balance at March 31, 2023	Realized and Unrealized Loss	Purchases (Including Contributions)	Sales (Including Withdrawals)	Net Transfers In (Out) of Level 3	Ending Balance at March 31, 2024
Private companies	\$ 405,000	\$ -	\$ -	\$ -	\$ -	\$ 405,000

For investments held in private companies, redemptions require the approval of all members. As of March 31, 2025 and 2024, unfunded commitments consisted of \$4,232,929 and \$3,358,191.

FJC uses the NAV per share or its equivalent in determining the fair value of investments which (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company. The following table lists such investments by major category:

2025							
Type	Strategy	NAV in Funds	# of Funds	Remaining Life	Amount of Unfunded Commitments	Redemption Terms	Redemptions Restrictions
Hedge funds	Absolute return, diversified long/short, event-driven, multi-strategy	\$ 47,079,180	19	Subject to the determination of the respective fund managers	N/A	7 funds are monthly with a 10 to 45 days notice, 10 funds are quarterly with a 45 to 90 days notice, 1 fund (8% of total NAV in funds) semi-annually with 90 day notice and 1 fund is in wind-down with no redemption ability	1 fund has 25% investor level gates, 1 fund has 12 month lock up on purchases, all others funds have none
Private Equity	Long term gains through acquisition of controlling interest of lower-middle market of technology-driven sector.	\$ 9,493,516	13	3, 5, 10 years from initial closing to perpetuity	\$ 4,232,929	3 to 5-year lock up commitment	Redemptions permitted after end of lock up period or restricted until completion of Fund's life cycle.

FJC

Notes to Financial Statements March 31, 2025 (With comparative amounts for the year ended March 31, 2024)

5. Investments *(continued)*

2024							
Type	Strategy	NAV in Funds	# of Funds	Remaining Life	Amount of Unfunded Commitments	Redemption Terms	Redemptions Restrictions
Hedge funds	Absolute return, diversified long/short, event-driven, multi-strategy	\$ 49,208,834	14	Subject to the determination of the respective fund managers	N/A	6 funds are monthly with a 10 to 30 days notice, 6 funds are quarterly with a 45 to 90 days notice, 1 fund (8% of total NAV in funds) semi-annually with 90 day notice and 1 fund is in wind-down with no redemption ability	1 fund has 25% investor level gates, 1 fund has 12 month lock up on purchases, all others funds have none
Private Equity	Long term gains through acquisition of controlling interest of lower-middle market of technology-driven sector	\$ 1,643,263	1	10 Years from initial closing	\$ 3,358,191	Minimum 5-year commitment	Redemptions restricted until completion of Fund's life cycle

6. Contribution Receivable

Contribution receivable consisted of the following as of March 31:

	2025	2024
Gross contributions		
Within one year	\$ 1,000,000	\$ 1,000,000
One to five years	-	1,000,000
	1,000,000	2,000,000
Less discount to net present value	(13,469)	(66,668)
	<u>\$ 986,531</u>	<u>\$ 1,933,332</u>

FJC

Notes to Financial Statements March 31, 2025 (With comparative amounts for the year ended March 31, 2024)

7. Loans Receivable

The net balance of loans receivable are as follows as of March 31:

	2025	2024
Agency loan funds (a)	\$ 16,439,455	\$ 17,248,993
Other loans (b)	3,148,833	2,371,356
	19,588,288	19,620,349
Allowance for credit losses	-	(110,232)
	<u>\$ 19,588,288</u>	<u>\$ 19,510,117</u>

- (a) Loans receivable consist of interest-bearing loans to charitable organizations, at a variable interest rate, generally prime rate plus 3% (7.5% at March 31, 2025 and 8% at March 31, 2024, Federal Funds Effective Rates as set by the Federal Open Market Committee), with varying maturities through June 2027. At March 31, 2025 and 2024, interest receivable on these loans amounted to \$135,532 and \$326,069. The loans are secured in whole or in part by the assets of the borrowers. Certain loans receivable are also supported by personal guarantees on behalf of the borrowers.

The hypothecated account held by a private foundation includes treasuries, insured certificates of deposit and a money market fund (with fair values of \$10,130,596 and \$15,202,319 at March 31, 2025 and 2024, respectively), to be used as collateral for the repayment of principal amounts in the event of default of any of the loans receivable. This amount is not recorded in the accompanying financial statements. This agreement remains in effect until October 1, 2025, and is renewable by mutual consent. Subsequent to year-end, management has affirmed that the renewal process is actively underway and that the agreement will be signed no later than December 2025.

- (b) FJC holds a loan receivable in the amount of \$4,000,000 from Signal Infrastructure Group, PBC ("SIG"). The loan bears interest at 12.5%. Interest shall be due quarterly starting June 30, 2021, but may be paid in kind (accruing but not paid). This may continue until the earlier of the final maturity date of May 10, 2026, or 6 months after the date that a final advance from an Infrastructure Investor has been advanced to SIG.

All accrued interest shall be added to the outstanding principal amount and capitalized, at each quarter-end. At March 31, 2022, an allowance of \$4,023,000 was established representing approximately 90% of the principal and interest due. FJC accepted an offer to sell this loan for \$4,000,000 to a private foundation in June 2023. Accordingly, FJC has reversed the allowance of \$3,411,204 and resulting in an allowance equal to \$611,796. At March 31, 2023, \$4,611,795 was the outstanding principal balance. At March 31, 2024, FJC reduced the receivable by the proceeds on the sale and reversed the allowance of \$611,796.

FJC

Notes to Financial Statements March 31, 2025 (With comparative amounts for the year ended March 31, 2024)

7. Loans Receivable *(continued)*

Other loans also consist of additional interest-bearing loans to charitable organizations totaling \$3,148,833 and \$2,371,356 at March 31, 2025 and 2024, at lower interest rates of, ranging from 0% to 7.5%, and have varying maturities through September 2028. At March 31, 2025 and 2024, interest receivable on these loans amounted to \$48,279 and \$36,705. The loans are secured in whole or in part by the assets of the borrowers.

As of March 31, 2025 and 2024, the carrying value of loans receivable for which the fair value option was not elected was \$19,588,288 and \$19,510,117, respectively. Loan receivables, based upon loan agreements matures as follows:

<u>Year Ending March 31,</u>	
2026	\$ 8,517,378
2027	1,822,986
2028	7,498,222
2029	371,291
2030	809,926
Thereafter	568,485
	<u>\$ 19,588,288</u>

8. Beneficial Interest in Third-Party Trusts

During fiscal 2018, FJC was named as a beneficiary to irrevocable charitable lead trusts for which a pre-established payment stream ranging between 10 to 27 years was determined by the gift instrument. The present value of the related interest, using a discount factor of 5.11% and 4.15%, was estimated to be \$1,829,469 and \$2,041,189 as of March 31, 2025 and 2024, respectively. This beneficial interest in third-party trusts is reflected as net assets with donor restrictions on the accompanying statement of financial position. FJC's net assets released from restrictions, were \$210,625 and \$198,098 for the fiscal years ended March 31, 2025 and 2024, respectively, were related to payments received from such charitable lead trusts during the fiscal year.

	<u>2025</u>	<u>2024</u>
Balance at beginning of the year	\$ 2,041,189	\$ 2,356,659
Less:		
Distributions received	210,625	198,098
Discount	1,095	117,372
Balance at the end of the year	<u>\$ 1,829,469</u>	<u>\$ 2,041,189</u>

FJC

Notes to Financial Statements
March 31, 2025
(With comparative amounts for the year ended March 31, 2024)

9. Fixed Assets

Fixed assets consisted of the following at March 31:

	2025	2024
Computer hardware	\$ 79,313	\$ 79,313
Furniture and fixtures	107,466	107,466
Leasehold improvements	28,733	28,733
Website	25,000	25,000
Software	299,295	-
	539,807	240,512
Less accumulated depreciation and amortization	(101,159)	(63,499)
	<u>\$ 438,648</u>	<u>\$ 177,013</u>

10. Leases

Leases result in the recognition of ROU asset and lease liability on the statement of financial position. ROU assets represent the right to use an underlying asset for the lease term and are recognized in an amount equal to the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. Lease liabilities represent the present value of the future lease payments over the expected lease terms. The present value of the lease liability is determined using the risk-free discount rate at lease inception for operating leases. Operating lease expense is recognized on a straight-line basis over the lease term.

FJC determines whether to account for its leases as operating or financing leases depending on the underlying terms of the lease agreement. FJC elected to utilize the risk-free rate for all operating leases and to account for non-lease components and the lease components to which they relate as a single component for all operating leases.

On May 6, 2022, FJC entered into a lease agreement for office space under a non-cancelable 10 ½ year operating lease that expires on December 31, 2032. The agreement provides for a monthly rent amount of \$12,667 to commence once the rent abatement period expires. The monthly rent amount will increase 2.5% each year over the life of the lease. The lease contains no significant restrictions. The lease provides for a rent abatement period equal to 6 months' rent and a rent step up each January, beginning in 2024.

FJC

Notes to Financial Statements March 31, 2025 (With comparative amounts for the year ended March 31, 2024)

10. Leases (*continued*)

Right-of-use asset consists of the following at March 31:

	2025	2024
Right-of-use asset	\$ 1,305,866	\$ 1,533,295
Accumulated amortization	<u>(133,902)</u>	<u>(227,429)</u>
	<u>\$ 1,171,964</u>	<u>\$ 1,305,866</u>

For the years ended March 31, leases consisted of the following:

	2025	2024
Operating lease expense	<u>\$ 169,795</u>	<u>\$ 169,792</u>
Supplemental cash flows		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating lease	\$ 157,098	\$ 152,952
ROU assets obtained in exchange for operating lease liability	\$ -	\$ -
Weighted average remaining lease term		
Operating lease	7.75	8.75
Weighted average discount rate		
Operating lease	2.67%	2.67%

FJC

Notes to Financial Statements March 31, 2025 (With comparative amounts for the year ended March 31, 2024)

10. Leases (*continued*)

Minimum future lease payments under the operating lease for each of the following years and in the aggregate are:

Year Ending March 31,	
2026	\$ 160,695
2027	164,715
2028	172,632
2029	188,346
2030	193,053
Thereafter	<u>555,326</u>
Total Undiscounted Cash Flows	1,434,767
Less present value discount	<u>(143,926)</u>
Total Lease Liability	<u>\$ 1,290,841</u>

11. Retirement Savings Plan

FJC sponsors a defined contribution plan (the "Plan") covering all employees with at least three months of consecutive service. FJC makes a contribution to the Plan each year equal to 3% of all participants' compensation. Total expense for the years ended March 31, 2025 and 2024 was approximately \$49,000 and \$41,000, respectively.

12. Net Assets with Donor Restrictions

Donor-restricted net assets that are restricted as of March 31, consist of the following:

	<u>2025</u>	<u>2024</u>
Pledge due in future years for program activities	\$ 986,531	\$ 1,933,332
Gifts received for wellness classroom	-	10,000
Beneficial interest in third-party trusts	<u>1,829,469</u>	<u>2,041,189</u>
	<u>\$ 2,816,000</u>	<u>\$ 3,984,521</u>

During the years ended March 31, 2025 and 2024, net assets were released from donor restrictions by incurring expenses or expenditures satisfying the restricted purposes specified by donors. Purpose and time restrictions met for the years ended March 31, were as follows:

	<u>2025</u>	<u>2024</u>
Program activities - wellness classroom	\$ 956,800	\$ 990,000
Payments received from charitable lead trusts	<u>210,625</u>	<u>198,098</u>
	<u>\$ 1,167,425</u>	<u>\$ 1,188,098</u>

FJC

Notes to Financial Statements March 31, 2025 (With comparative amounts for the year ended March 31, 2024)

13. Liquidity and Availability of Financial Resources

FJC's financial assets available within one year of the statement of financial position date for general expenditures are as follows as of March 31:

	2025	2024
Cash and cash equivalents	\$ 797,338	\$ 5,055,847
Investments	417,092,368	385,589,942
Loans receivable	8,517,378	7,753,394
Accrued interest	183,812	362,774
Pledge receivable due within one year	1,000,000	1,000,000
Beneficial interest in third-party trusts distribution	239,565	224,406
Other assets	62,089	21,774
	<u>427,892,550</u>	<u>400,008,137</u>
Less:		
Assets held for others	<u>38,668,611</u>	<u>43,135,848</u>
Total Financial Assets Available to Management for General Expenditure Before Amounts Subject to the Board of Director's approval	389,223,939	356,872,289
Less:		
Amounts unavailable to management without Board approval Board-designated fund	<u>37,232,586</u>	<u>35,212,793</u>
Total Financial Assets Available Within One Year	<u>\$ 351,991,353</u>	<u>\$ 321,659,496</u>

Liquidity Management

FJC's liquidity needs are based on multiple variables, some of which are known or anticipated cash operating needs, but also based on unpredictable donor activity. Known or anticipated cash operating needs generate from the anticipated program, management and general, and fundraising-related expenses as well as anticipated loan advances and maturities of FJC's Agency Loan Program. Donor activities, such as donor contributions and donor grant requests are unpredictable and may change from one period to the next. When a Donor Advised Fund ("DAF") account is funded, the contribution is an unrestricted contribution to FJC and the funds become the assets of FJC. Ultimately, it is the decision of FJC as to how those funds are deployed, but FJC extends to the donor the privileges of recommending how those funds are invested and recommending grants to qualified charities.

As part of FJC's liquidity management, FJC maintains a rolling twelve months of fixed income asset maturities to maintain cash liquidity needs while still maintaining maximum growth on FJC's investment portfolio and likewise maximizing donor-advised fund assets. FJC monitors the liquidity needs of the organization and investment portfolio rebalancing on an ongoing basis.

* * * * *

FJC

Supplementary Schedules

March 31, 2025 and 2024

FJC**Schedule of Financial Position for Agency Loan Funds
As of March 31, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
ASSETS		
Investments	\$ 59,434,424	\$ 48,865,118
Due (to)/ from FJC	(299,106)	740,095
Loans receivable	16,439,456	17,138,761
Loans held for sale	-	2,909,224
Accrued interest	<u>135,533</u>	<u>326,069</u>
Total Assets	<u>\$ 75,710,307</u>	<u>\$ 69,979,267</u>
NET ASSETS		
EFA - assets held for others	\$ 13,207,717	\$ 15,306,307
Agency loan fund balance	<u>62,502,590</u>	<u>54,672,960</u>
Total Net Assets	<u>\$ 75,710,307</u>	<u>\$ 69,979,267</u>

See independent auditors' report

FJC

Schedule of Activities for Agency Loan Funds
For the years ended March 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
ADDITIONS		
Loan interest	\$ 2,284,809	\$ 2,033,930
Interest and dividend, net	1,860,713	1,411,520
Net realized and unrealized gain investments	<u>459,828</u>	<u>1,458,426</u>
Total Additions	<u>4,605,350</u>	<u>4,903,876</u>
 DEDUCTIONS		
Credit enhancement fund	<u>196,194</u>	<u>204,866</u>
Total Deductions	<u>196,194</u>	<u>204,866</u>
 Net Change	<u><u>\$ 4,409,156</u></u>	<u><u>\$ 4,699,010</u></u>

See independent auditors' report

FJC

Schedule of Change in Net Assets for Agency Loan Funds For the years ended March 31, 2025 and 2024

	2025		
	Donor-Advised Funds	EFA Assets Held For Others	Total Net Assets
Net assets – beginning of year	\$ 54,672,960	\$ 15,306,307	\$ 69,979,267
Increase in net assets	3,585,417	823,739	4,409,156
Contributions to Agency Loan Fund	38,674,622	4	38,674,626
Redemption from Agency Loan Fund	<u>(34,430,409)</u>	<u>(2,922,333)</u>	<u>(37,352,742)</u>
Net assets – end of year	<u>\$ 62,502,590</u>	<u>\$ 13,207,717</u>	<u>\$ 75,710,307</u>
	2024		
	Donor-Advised Funds	EFA Assets Held For Others	Total Net Assets
Net assets – beginning of year	\$ 54,493,964	\$ 19,256,727	\$ 73,750,691
Increase in net assets	3,463,093	1,235,917	4,699,010
Contributions to Agency Loan Fund	35,668,064	1,670,356	37,338,420
Redemption from Agency Loan Fund	<u>(38,952,161)</u>	<u>(6,856,693)</u>	<u>(45,808,854)</u>
Net assets – end of year	<u>\$ 54,672,960</u>	<u>\$ 15,306,307</u>	<u>\$ 69,979,267</u>

See independent auditors' report