JEWISH FAMILY & CHILDREN'S SERVICES OF NORTHERN NEW JERSEY, INC. AND JEWISH FAMILY SERVICE FOUNDATION, INC.

CONSOLIDATING AND CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

JEWISH FAMILY & CHILDREN'S SERVICES OF NORTHERN NEW JERSEY, INC.
AND
JEWISH FAMILY SERVICE FOUNDATION, INC.
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Jewish Family & Children's Services of Northern New Jersey, Inc. and Jewish Family Service Foundation, Inc.

Opinion

We have audited the accompanying consolidating and consolidated financial statements of Jewish Family & Children's Services of Northern New Jersey, Inc. and Jewish Family Service Foundation, Inc., which comprise the consolidating statements of financial position as of June 30, 2022 and 2021, and the related consolidating statements of activities and functional expenses and consolidated cash flows for the years then ended, and the related notes to the consolidating and consolidated financial statements.

In our opinion, the consolidating and consolidated financial statements referred to above present fairly, in all material respects, the financial position of Jewish Family & Children's Services of Northern New Jersey, Inc. and Jewish Family Service Foundation, Inc. as of June 30, 2022 and 2021, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Jewish Family & Children's Services of Northern New Jersey, Inc. and Jewish Family Service Foundation, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the consolidating and consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Jewish Family & Children's Services of Northern New Jersey, Inc. and Jewish Family Service Foundation, Inc.'s ability to continue as a going concern within one year after the date that the consolidating and consolidated 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 consolidating and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidating and consolidated 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 consolidating and consolidated 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 consolidating and consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Jewish Family & Children's Services of Northern New Jersey, Inc. and Jewish Family Service Foundation, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidating and consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Jewish Family & Children's Services of Northern New Jersey, Inc. and Jewish Family Service Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited Jewish Family & Children's Services of Northern New Jersey, Inc. and Jewish Family Service Foundation, Inc.'s June 30, 2021 financial statements and we expressed an unmodified audit opinion on those audited consolidating and consolidated financial statements in our report dated January 11, 2022. In our opinion, the summarized comparative information presented herein for the year ended June 30, 2021, is consistent, in all material respects, with the audited consolidating and consolidated financial statements from which it has been derived.

Citrin Cooperman & Company, LLP
CERTIFIED PUBLIC ACCOUNTANTS

Melville, New York
January 10, 2023

JEWISH FAMILY & CHILDREN'S SERVICES OF NORTHERN NEW JERSEY, INC.
AND
JEWISH FAMILY SERVICE FOUNDATION, INC.
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

	2022				2021			
	Jewish Family & Children's Services of Northern New Jersey, Inc.	Jewish Family Service Foundation, Inc.	Eliminations	Consolidated Total	Jewish Family & Children's Services of Northern New Jersey, Inc.	Jewish Family Service Foundation, Inc.	Eliminations	Consolidated Total
ASSETS								
Cash and cash equivalents	$ 2,481,511	$ 90,714	$ -	$ 2,572,225	$ 943,570	$ 57,282	$ -	$ 1,000,852
Investments	25,000	800,504	-	825,504	25,000	924,847	-	949,847
Accounts receivable	320,254	-	-	320,254	340,589	-	-	340,589
Due from related party	-	-	-	-	-	32,000	(32,000)	-
Prepaid expenses and other assets	60,547	-	-	60,547	49,771	-	-	49,771
Cemetery plots	25,198	-	-	25,198	7,200	-	-	7,200
Property and equipment, net	1,008,974	-	-	1,008,974	1,037,159	-	-	1,037,159
TOTAL ASSETS	$ 3,921,484	$ 891,218	$ -	$ 4,812,702	$ 2,403,289	$ 1,014,129	$ (32,000)	$ 3,385,418
LIABILITIES AND NET ASSETS								
Liabilities:								
Accounts payable and accrued expenses	$ 679,763	$ -	$ -	$ 679,763	$ 600,912	$ -	$ -	$ 600,912
Due to related party	-	-	-	-	32,000	-	(32,000)	-
Deferred income	1,241,233	-	-	1,241,233	363,491	-	-	363,491
Security deposits payable	-	-	-	-	2,194	-	-	2,194
Mortgage payable, net	330,043	-	-	330,043	344,477	-	-	344,477
Total liabilities	2,251,039	-	-	2,251,039	1,343,074	-	(32,000)	1,311,074
Commitments and contingencies (Notes 8, 9, 10, 11, 12, 13 and 14)								
Net assets:								
Net assets without donor restriction	1,645,445	803,593	-	2,449,038	1,035,215	910,878	-	1,946,093
Net assets with donor restriction:								
Time-restricted for future periods	25,000	-	-	25,000	25,000	-	-	25,000
Donor-restricted to be held in perpetuity	-	87,625	-	87,625	-	103,251	-	103,251
Total net assets with donor restriction	25,000	87,625	-	112,625	25,000	103,251	-	128,251
Total net assets	1,670,445	891,218	-	2,561,663	1,060,215	1,014,129	-	2,074,344
TOTAL LIABILITIES AND NET ASSETS	$ 3,921,484	$ 891,218	$ -	$ 4,812,702	$ 2,403,289	$ 1,014,129	$ (32,000)	$ 3,385,418

See accompanying notes to consolidating and consolidated financial statements.

JEWISH FAMILY & CHILDREN'S SERVICES OF NORTHERN NEW JERSEY, INC. AND
JEWISH FAMILY SERVICE FOUNDATION, INC.
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR
THE YEAR ENDED JUNE 30, 2021)

		2022							2021
		Jewish Family & Children's Services of Northern New Jersey, Inc.			Jewish Family Service Foundation, Inc.				
		Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total	Consolidated Total	Summarized Comparative Consolidated Total
Public support and other revenue:									
Public support:									
Jewish Federation of Northern New Jersey		$ 1,014,485	$ -	$ 1,014,485	$ -	$ -	$ -	$ 1,014,485	$ 1,016,330
Grant income		4,645,559	-	4,645,559	-	-	-	4,645,559	4,077,734
Contributions		916,781	-	916,781	-	-	-	916,781	1,190,735
In-kind contributions		18,298	-	18,298	-	-	-	18,298	15,205
Fundraising events revenue:									
Fundraising events	$ 346,350								
Less: direct donor benefit	69,634								
Net fundraising events revenue		276,716	-	276,716	-	-	-	276,716	167,452
Total public support		6,871,839	-	6,871,839	-	-	-	6,871,839	6,467,456
Other revenue (expense):									
Counseling fees		768,131	-	768,131	-	-	-	768,131	841,096
Program fees - school-based services		1,315,553	-	1,315,553	-	-	-	1,315,553	293,845
Other program fees		170,112	-	170,112	-	-	-	170,112	102,092
Rental income (loss):									
Rental income	$ 6,000								
Less: rental expenses	46,254								
Net rental loss		(40,254)	-	(40,254)	-	-	-	(40,254)	(49,848)
Investment income (loss)		1,084	-	1,084	(107,285)	(15,626)	(122,911)	(121,827)	171,261
Other		1,760	-	1,760	-	-	-	1,760	16,574
Other revenue (expense), net		2,216,386	-	2,216,386	(107,285)	(15,626)	(122,911)	2,093,475	1,375,020
Total public support and other revenue (expense)		9,088,225	-	9,088,225	(107,285)	(15,626)	(122,911)	8,965,314	7,842,476

JEWISH FAMILY & CHILDREN'S SERVICES OF NORTHERN NEW JERSEY, INC. AND JEWISH FAMILY SERVICE FOUNDATION, INC.
CONSOLIDATING STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED JUNE 30, 2021)

	2022							2021
	Jewish Family & Children's Services of Northern New Jersey, Inc.			Jewish Family Service Foundation, Inc.				
	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total	Consolidated Total	Summarized Comparative Consolidated Total
Total public support and other revenue (expense) (continued)	$ 9,088,225	$ -	$ 9,088,225	$ (107,285)	$ (15,626)	$ (122,911)	$ 8,965,314	$ 7,842,476
Expenses:								
Program services:								
Family counseling	1,084,002	-	1,084,002	-	-	-	1,084,002	994,008
Senior adults	4,065,684	-	4,065,684	-	-	-	4,065,684	3,828,475
Adult case management	618,539	-	618,539	-	-	-	618,539	466,124
School-based services	1,269,009	-	1,269,009	-	-	-	1,269,009	494,361
Community social work	122,716	-	122,716	-	-	-	122,716	122,935
Total program services	7,159,950	-	7,159,950	-	-	-	7,159,950	5,905,903
Supporting services:								
Management and general	899,568	-	899,568	-	-	-	899,568	770,666
Fundraising	641,429	-	641,429	-	-	-	641,429	585,637
Total supporting services	1,540,997	-	1,540,997	-	-	-	1,540,997	1,356,303
Total expenses	8,700,947	-	8,700,947	-	-	-	8,700,947	7,262,206
Other income:								
Forgiveness of refundable advances	-	-	-	-	-	-	-	590,900
Employee Retention Tax Credits	222,952	-	222,952	-	-	-	222,952	-
Total other income	222,952	-	222,952	-	-	-	222,952	590,900
Change in net assets	610,230	-	610,230	(107,285)	(15,626)	(122,911)	487,319	1,171,170
Net assets - beginning	1,035,215	25,000	1,060,215	910,878	103,251	1,014,129	2,074,344	903,174
NET ASSETS - ENDING	$ 1,645,445	$ 25,000	$ 1,670,445	$ 803,593	$ 87,625	$ 891,218	$ 2,561,663	$ 2,074,344

See accompanying notes to consolidating and consolidated financial statements.

JEWISH FAMILY & CHILDREN'S SERVICES OF NORTHERN NEW JERSEY, INC. AND
JEWISH FAMILY SERVICE FOUNDATION, INC.
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR
THE YEAR ENDED JUNE 30, 2021)

	2022												2021
	Program Services						Supporting Services						
	Family Counseling	Senior Adults	Adult Case Management	School-Based Services	Community Social Work	Program Services Total	Management and General	Fund-raising	Direct Donor Benefit of Fund-raising Events	Rental Expenses	Supporting Services Total	Grand Total	Summarized Comparative Total
Personnel costs:													
Salaries	$ 469,954	$ 588,993	$ 224,041	$ 790,117	$ 95,628	$ 2,168,733	$ 508,576	$ 389,174	$ -	$ -	$ 897,750	$ 3,066,483	$ 2,335,118
Payroll taxes and employee benefits	82,082	124,467	44,969	100,164	19,489	371,171	108,768	113,783	-	-	222,551	593,722	446,913
Total personnel costs	552,036	713,460	269,010	890,281	115,117	2,539,904	617,344	502,957	-	-	1,120,301	3,660,205	2,782,031
Other expenses:													
Professional, counseling and staffing fees	470,216	2,957,415	5,891	163,218	-	3,596,740	53,824	2,466	-	-	56,290	3,653,030	3,342,289
Accounting and other fees	-	-	163	-	-	163	79,821	1,455	-	-	81,276	81,439	50,901
Supplies	3,333	2,713	652	5,792	12	12,502	14,805	3,938	-	-	18,743	31,245	46,666
Assistance to individuals	554	50,299	217,573	-	-	268,426	-	-	-	-	-	268,426	213,658
Travel and development	10,553	11,747	3,433	1,359	224	27,316	1,043	794	-	-	1,837	29,153	24,553
Telephone	293	874	437	6,655	-	8,259	19,359	960	-	-	20,319	28,578	25,847
Postage and shipping	810	2,963	387	33	-	4,193	1,047	4,732	-	-	5,779	9,972	11,621
Minor equipment	146	-	143	-	-	289	35,760	1,630	-	693	38,083	38,372	33,559
Printing and design	-	-	523	-	-	523	-	25,024	-	-	25,024	25,547	17,611
Advertising and public relations	125	-	685	-	-	810	500	21,711	-	-	22,211	23,021	32,034
Food and venue	64	1,335	96,007	72,072	-	169,478	2,136	29,465	69,634	-	101,235	270,713	117,562
Food - KMOW	-	268,497	-	-	-	268,497	-	-	-	-	-	268,497	303,936
Dues and conferences	8,494	961	1,734	803	-	11,992	14,073	8,325	-	-	22,398	34,390	38,034
Rent and occupancy	100	9,275	-	90,000	-	99,375	-	-	-	36,000	36,000	135,375	54,400
Occupancy	14,291	17,911	6,813	24,027	2,908	65,950	15,466	11,835	-	1,806	29,107	95,057	85,987
Insurance	9,450	11,368	8,653	(7,714)	1,734	23,491	16,683	4,489	-	-	21,172	44,663	48,949
Interest	-	-	-	-	-	-	10,090	-	-	6,065	16,155	16,155	17,587
Depreciation and amortization	13,373	16,760	6,375	22,483	2,721	61,712	14,473	11,074	-	1,690	27,237	88,949	97,379
Miscellaneous	164	106	60	-	-	330	3,144	10,574	-	-	13,718	14,048	3,045
Total other expenses	531,966	3,352,224	349,529	378,728	7,599	4,620,046	282,224	138,472	69,634	46,254	536,584	5,156,630	4,565,618
TOTAL EXPENSES	1,084,002	4,065,684	618,539	1,269,009	122,716	7,159,950	899,568	641,429	69,634	46,254	1,656,885	8,816,835	7,347,649
Less: expenses deducted directly from revenues:													
Direct donor benefit of fundraising events	-	-	-	-	-	-	-	-	69,634	-	69,634	69,634	21,195
Rental expenses	-	-	-	-	-	-	-	-	-	46,254	46,254	46,254	64,248
TOTAL EXPENSES REPORTED BY FUNCTION ON THE CONSOLIDATING STATEMENT OF ACTIVITIES	$ 1,084,002	$4,065,684	$ 618,539	$1,269,009	$ 122,716	$ 7,159,950	$ 899,568	$ 641,429	$ -	$ -	$ 1,540,997	$ 8,700,947	$ 7,262,206

See accompanying notes to consolidating and consolidated financial statements.

JEWISH FAMILY & CHILDREN'S SERVICES OF NORTHERN NEW JERSEY, INC.
AND
JEWISH FAMILY SERVICE FOUNDATION, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
Cash flows from operating activities:		
Change in net assets	$ 487,319	$ 1,171,170
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Forgiveness of refundable advances	-	(590,900)
Employee Retention Tax Credits	(222,952)	-
Net unrealized loss (gain) on investments	168,655	(175,164)
Donated securities	(8,648)	-
Depreciation	88,949	97,379
Amortization of deferred financing costs	786	786
Changes in assets and liabilities:		
Accounts receivable	20,335	(118,820)
Prepaid expenses and other assets	(10,776)	32,600
Security deposits	(2,194)	-
Cemetery plots	(17,998)	
Accounts payable and accrued expenses	78,851	(42,115)
Deferred income	877,742	(488,162)
Net cash provided by (used in) operating activities	1,460,069	(113,226)
Cash flows from investing activities:		
Proceeds from sale of investments	44,310	6,578
Purchases of investments	(79,974)	(143,000)
Purchase of fixed assets	(60,764)	(83,714)
Net cash used in investing activities	(96,428)	(220,136)
Cash flows from financing activities:		
Principal payments of mortgage payable	(15,220)	(14,586)
Employee Retention Tax Credits	222,952	-
Net cash provided by (used in) financing activities	207,732	(14,586)
Net increase (decrease) in cash and cash equivalents	1,571,373	(347,948)
Cash and cash equivalents - beginning	1,000,852	1,348,800
CASH AND CASH EQUIVALENTS - ENDING	$ 2,572,225	$ 1,000,852
Supplemental disclosures of cash flow information:		
Interest paid	$ 14,555	$ 15,187

See accompanying notes to consolidating and consolidated financial statements.

NOTE 1. NATURE OF ORGANIZATION

Jewish Family Services, Inc. ("JFS") was organized on December 4, 1978. Effective January 1, 2017, Jewish Family Service of North Jersey, Inc., with offices in Fair Lawn and Wayne, merged with JFS, which is the surviving organization, to form Jewish Family & Children's Services of Northern New Jersey, Inc. ("JFCSNNJ").

Jewish Family Service Foundation, Inc. ("JFSF") was organized in 2009 as a not-for-profit organization under the laws of the state of New Jersey and began operations in 2012 with the sole purpose of raising funds to support JFCSNNJ.

The JFCSNNJ mission statement reads:

> Based on Jewish tradition and values, JFCSNNJ's mission is to strengthen and enhance the well-being of all who call upon us by providing professional and compassionate human services to effectively meet life's many challenges.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation
The accompanying consolidating and consolidated financial statements include the accounts of JFCSNNJ and JFSF (collectively referred to as the "Organization"). The financial statements have been consolidated because JFCSNNJ maintains an economic interest in and control of JFSF through common board membership and the ability to elect JFSF board members. All significant intercompany accounts and transactions have been eliminated in consolidation.

Financial statement presentation
The accompanying consolidating and consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which requires the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets with Donor Restrictions - Net assets subject to donor-imposed restrictions. The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidating statements of activities as net assets released from restrictions. At June 30, 2022 and 2021, there were restricted assets related to an endowment fund received by the Organization and time-restricted investments.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently adopted accounting pronouncement

Contributed nonfinancial assets
In September 2020, Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* ("ASU 2020-07), which increases the transparency of contributed nonfinancial assets through enhancements to presentation and disclosures. ASU 2020-07 is effective for fiscal years beginning after June 15, 2021. The Organization adopted ASU 2020-07 effective July 1, 2021, using a retrospective basis. The Organization has determined that the application of ASU 2020-07 did not have a material impact on the Organization's consolidating and consolidated financial statements and related disclosures.

Recently issued but not yet effective accounting pronouncements

Leases
In February 2016, FASB issued ASU No. 2016-02, *Leases* ("ASU 2016-02"). This update requires all leases with a term greater than 12 months to be recognized on the consolidating statements of financial position through a right-of-use asset and a lease liability and the disclosure of key information pertaining to leasing arrangements. In July 2018, FASB also issued ASU No. 2018-10, *Codification Improvements to Topic 842*, and ASU No. 2018-11, *Leases: Targeted Improvements*, which provided narrow amendments to clarify how to apply certain aspects of the new leases standard and options regarding transition. The standard requires either a modified retrospective transition approach with application in all comparative periods presented, or an alternative transition method, which permits the Organization to use its effective date as the date of initial application without restating the comparative period consolidating and consolidated financial statements and recognizing any cumulative effect adjustment to the opening statement of financial position. In November 2019, FASB issued ASU No. 2019-10, *Financial Statements - Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842).* ASU No. 2019-10 amended the effective date for ASU 2016-02 and related amendments. ASU 2016-02, as amended, is effective for fiscal years beginning after December 15, 2020. In June 2020, FASB issued ASU No. 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842)* ("ASU 2020-05"). ASU 2020-05 provided for an optional election to defer the effective date for Topic 842 and related amendments for an additional year. Entities may elect to adopt the guidance on the adoption of Topic 842 for annual reporting periods beginning after December 15, 2021. The Organization has elected to defer Topic 842 and is evaluating the impact this new guidance will have on its consolidating and consolidated financial statements and related disclosures.

Use of estimates
The preparation of consolidating and consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the consolidating and consolidated financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional allocation of expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the accompanying consolidating statements of activities and functional expenses. Accordingly, certain costs have been allocated among the program and supporting services in reasonable amounts and ratios determined by management. Program services include costs directly associated with providing family counseling, including weekly outpatient therapy for family members facing various challenges; senior services, including in-home assessments, care management, Kosher Meals-on-Wheels, caregiver support and emergency assistance for seniors and their caregivers; other services, including information and referral, food pantry, emergency assistance and case management; after-school programming in various school districts; and outreach and needs assessment, as well as group programming in the community. Management and general expenses include costs indirectly related to the Organization's purpose or mission, such as back-office accounting and office and personnel administration. Fundraising expenses include costs incurred in connection with solicitation activities undertaken by the Organization. Rental expenses include costs incurred related to maintenance and ownership of properties owned by the Organization and rented to other parties.

The expenses that are allocated include the following:

Expense	Method of Allocation
Depreciation	Square footage occupied
Rent	Square footage occupied
Salaries and employee benefits	Time and effort
Utilities	Square footage occupied

Cash and cash equivalents

Cash and cash equivalents consist primarily of cash on deposit and money market accounts that are readily convertible into cash. The Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Fair value measurements

FASB Accounting Standards Codification ("ASC") 820, *Fair Value Measurement*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value measurements (continued)
Categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Under this standard, fair value is defined as the exit price, or the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date.

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 - inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 - inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and, inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Donations-in-kind
Donations of noncash assets are recorded at their fair values at the date received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, and are provided by individuals possessing those skills, are recorded at their fair values in the period received.

Accounts receivable
Accounts receivable are reported at their outstanding unpaid principal balances reduced by an allowance for doubtful accounts. On a periodic basis, management evaluates such receivables and establishes an allowance for doubtful accounts based on a history of write-offs and collections and current credit conditions. At June 30, 2022 and 2021, there was no allowance for doubtful accounts for accounts receivable, respectively.

Investments
Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for a discussion of fair value measurements.

Investment transactions are recorded on a trade-date basis. Unrealized gains and losses represent the net change in the carrying value of securities owned as of the date of the consolidating statement of financial position. Realized gains and losses on investments are determined using the specific-identification method. Earnings from dividends are recognized on the ex-dividend date.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and equipment

Property and equipment are stated at cost if acquired or at their fair values at the date of donation. Maintenance and repairs are charged to operations when incurred. Expenditures that increase the value or significantly extend the lives of assets with a cost of $5,000 or more are capitalized. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, which range from five to 10 years for furniture and equipment and 10 to 30 years for building and improvements. When property and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations.

Revenue and support recognition

The Organization derives revenue and support primarily from grants, contributions, and program and counseling fees.

Under ASC Topic 606, *Revenue from Contracts with Customers* ("Topic 606"), revenue is measured based on the consideration specified in a contract with a customer, and excludes any amounts collected on behalf of third parties. The Organization recognizes revenue when it satisfies a performance obligation by transferring control over a service to a customer. The majority of the Organization's services are treated as a single performance obligation that is satisfied as the services are rendered. The Organization determines the transaction price based on contractually agreed-upon rates, adjusted for any variable consideration, if any.

Program services are offered by the Organization throughout the course of the year. Revenues from these services are recognized at the point in which control over the services are rendered. Event revenue is recognized over the period the event takes place.

Revenue is reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor restrictions or by law. Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from donor restrictions.

Advertising

Advertising costs are expensed as incurred and aggregated $23,021 and $32,034 for the years ended June 30, 2022 and 2021, respectively.

Deferred financing costs

Deferred financing costs are recorded at cost and are amortized using the straight-line method, which approximates the effective interest method, over the terms of the respective loan. Amortization of loan fees amounted to $786 for each of the years ended June 30, 2022 and 2021, and is included in "Management and general" on the accompanying consolidating statements of activities. The corresponding mortgage payable is shown net of unamortized loan cost at June 30, 2022 and 2021.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income taxes
JFCSNNJ and JFSF qualify as tax-exempt, not-for-profit organizations under Section 501(c)(3) of the Internal Revenue Code (the "IRC"). As a not-for-profit entity, the Organization is subject to unrelated business income tax, if applicable.

The Organization recognizes and measures its unrecognized tax benefits in accordance with FASB ASC 740, *Income Taxes*. Under that guidance, the Organization assesses the likelihood, based on their technical merit, that tax positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available or when an event occurs that requires a change.

Management has evaluated the Organization's tax positions and has concluded that the Organization has taken no uncertain tax positions that require adjustment to the accompanying consolidating and consolidated financial statements.

Summarized comparative information
The consolidating and consolidated financial statements include certain prior-year summarized comparative information in total but not by net asset or functional classification. 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 the Organization's consolidating and consolidated financial statements for the year ended June 30, 2021, from which this summarized information was derived.

Reclassifications
Certain amounts in the June 30, 2021 consolidating financial statements have been reclassified to conform to the current-year presentation. The reclassification adjustments had no effect on the Organization's previously reported change in net assets.

Subsequent events
In accordance with FASB ASC 855, *Subsequent Events*, the Organization has evaluated subsequent events through January 10, 2023, the date on which these consolidating and consolidated financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these consolidating and consolidated financial statements.

NOTE 3. CONCENTRATIONS OF CREDIT RISK

The Organization maintains cash balances with financial institutions which were routinely in excess of federal insurance limits during the years ended June 30, 2022 and 2021. The Organization has not experienced any losses in these accounts, and management does not believe the Organization is exposed to any significant credit risks with respect to cash.

Revenue from the after-school program accounted for 15% and 3% of total public support and other revenue during the years ended June 30, 2022 and 2021, respectively.

Revenue from Jewish Federation of Northern New Jersey ("JFNNJ") accounted for 11% and 12% of total public support and other revenue during the years ended June 30, 2022 and 2021, respectively.

NOTE 3. CONCENTRATIONS OF CREDIT RISK (CONTINUED)

Revenue from Conference on Jewish Material Claims Against Germany, Inc. accounted for 35% and 34% of total public support and other revenue during the years ended June 30, 2022 and 2021, respectively.

Additionally, Medicare and Medicaid accounted for 10% of total accounts receivable during each of the years ended June 30, 2022 and 2021. The Jewish Federation grant, NJ Holocaust grant and Passaic County Human Services grant accounted for 35%, 11% and 14%, respectively, of total accounts receivable at June 30, 2022. As of June 30, 2021, the Jewish Federation grant, NJ Holocaust grant and Claims Conference grant accounted for 28%, 24%, and 15% respectively, of total accounts receivable.

NOTE 4. FAIR VALUE MEASUREMENTS

Assets and liabilities measured at fair value are based on one or more of three valuation techniques identified in the tables below. The valuation techniques are as follows:

a) *Market approach*. Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;

b) *Cost approach*. Amount that would be required to replace the service capacity of an asset (replacement cost); and

c) *Income approach*. Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques, option-pricing and excess earnings models).

The following tables present the investments measured at fair value by level at June 30, 2022 and 2021:

Description	Total at June 30, 2022	Level 1	Level 2	Level 3	Valuation Technique
Assets in fair value hierarchy:					
Money market funds	$ 102,718	$ 102,718	$ -	$ -	(a)
International bonds	25,000	-	25,000	-	(b)
Total investments in fair value hierarchy	127,718	$ 102,718	$ 25,000	$ -	
Investments measured at net asset value *	697,786				
Total investments at fair value	$ 825,504				

NOTE 4. FAIR VALUE MEASUREMENTS (CONTINUED)

Description	Total at June 30, 2021	Level 1	Level 2	Level 3	Valuation Technique
Assets in fair value hierarchy:					
Money market funds	$ 102,633	$ 102,633	$ -	$ -	(a)
International bonds	25,000	-	25,000	-	(b)
Total investments in fair value hierarchy	127,633	$ 102,633	$ 25,000	$ -	
Investments measured at net asset value *	822,214				
Total investments at fair value	$ 949,847				

* Pooled investment account

The following is a description of the valuation methodologies used for assets measured at fair value:

Money market funds - the carrying value approximates fair value because the instruments are liquid in nature.

International bonds - stated at the purchase price plus accrued interest-to-date, which approximates fair value.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with those of other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Net asset value per share

	Fair Value	Unfunded Commitments	Redemption Frequency	Other Redemption Restrictions	Redemption Notice Period
JFNNJ - Pooled Investment Account at June 30, 2022	$ 697,786	$ -	Monthly	None	30 days

	Fair Value	Unfunded Commitments	Redemption Frequency	Other Redemption Restrictions	Redemption Notice Period
JFNNJ - Pooled Investment Account at June 30, 2021	$ 822,214	$ -	Monthly	None	30 days

NOTE 4. FAIR VALUE MEASUREMENTS (CONTINUED)

The JFNNJ pooled investment account is valued at JFCSNNJ's share of the investments of the JFNNJ pooled investments as reported by JFNNJ and its investment managers and advisors. The methods and procedures used to value these investments may include but are not limited to: (1) performing comparisons with prices of comparable or similar securities; (2) obtaining valuation-related information from issuers; and/or (3) other analytical data relating to the investment and using other available indications of value, absent readily available market values.

NOTE 5. PROPERTY AND EQUIPMENT

The following is an analysis of property and equipment as of June 30, 2022 and 2021:

	2022		
	Cost	Accumulated Depreciation	Net
Land	$ 536,700	$ -	$ 536,700
Automobiles	38,887	(8,333)	30,554
Building and improvements	1,189,257	(816,124)	373,133
Software	152,394	(89,990)	62,404
Furniture and equipment	118,379	(112,196)	6,183
	$ 2,035,617	$ (1,026,643)	$ 1,008,974

	2021		
	Cost	Accumulated Depreciation	Net
Land	$ 536,700	$ -	$ 536,700
Automobiles	38,887	(2,778)	36,109
Building and improvements	1,149,936	(769,448)	380,488
Software	130,950	(61,656)	69,294
Furniture and equipment	188,767	(174,199)	14,568
	$ 2,045,240	$ (1,008,081)	$ 1,037,159

Depreciation and amortization expense for the years ended June 30, 2022 and 2021, was $88,949 and $97,379, respectively.

NOTE 6. LIQUIDITY AND AVAILABILITY

The Organization typically receives grants and contracts with donor restrictions and contributions without donor restrictions. Contributions received with donor restrictions are to be used in accordance with the associated purpose restrictions. Typically, restrictions are released during the year received.

NOTE 6. LIQUIDITY AND AVAILABILITY (CONTINUED)

The table below presents financial assets available for general expenditures as of June 30, 2022 and 2021:

	2022	2021
Financial assets at year end:		
Cash and cash equivalents	$ 2,572,225	$ 1,000,852
Investments	825,504	949,847
Accounts receivable	320,254	340,589
Total financial assets available	3,717,983	2,291,288
Less assets unavailable for general expenditures:		
Donor-restricted net assets	112,625	128,251
Financial assets available to meet general expenditures within one year	$ 3,605,358	$ 2,163,037

As part of the Organization's liquidity management, it has a goal to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

NOTE 7. NET ASSETS

The Organization's net assets with donor restrictions are available to satisfy the following purposes as of June 30, 2022 and 2021:

	2022	2021
Restricted to future periods	$ 25,000	$ 25,000

Net assets required to be held in perpetuity with donor restrictions at June 30, 2022 and 2021, are restricted for the following purposes:

	2022	2021
Mental health services	$ 87,625	$ 103,251

NOTE 8. MORTGAGE PAYABLE

In September 2017, JFCSNNJ entered into a 10-year mortgage agreement with a financial institution in the amount of $400,000 which bears interest at the rate of 4.19% per annum. The loan is secured by the building located in Teaneck, New Jersey, and is due with a balloon principal payment of $243,818 on October 10, 2027. A secured line of credit for a maximum amount of $250,000 was also granted to JFCSNNJ. Borrowings under this line of credit bear interest at the rate of Prime (4.75% and 3.25% at June 30, 2022 and 2021, respectively) plus 1% per annum. There was no outstanding balance on this line of credit at June 30, 2022 and 2021.

NOTE 8. MORTGAGE PAYABLE (CONTINUED)

Principal payments due in the next five years and thereafter at June 30, 2022, are as follows:

Year ending June 30:	Amount
2023	$ 15,872
2024	16,520
2025	17,272
2026	18,020
2027	18,800
Thereafter	247,682
	334,166
Less: unamortized deferred financing costs	4,123
	$ 330,043

Interest expense amounted to $14,555 and $15,187 for the years ended June 30, 2022 and 2021, respectively.

NOTE 9. ENDOWMENT

On April 13, 2021, the Organization received a donor-restricted contribution to be used for the establishment of a permanent endowment fund (the "Endowment"). The purpose of the Endowment is to provide funding for mental health services provided by the Organization.

The board of trustees has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At June 30, 2022, there were no such donor stipulations. As a result of this interpretation, the Organization will retain in perpetuity (a) the original value of the initial and subsequent gift amounts, including promises to give net of discount and allowance for doubtful accounts donated to the Endowment and (b) any accumulations to the Endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added.

Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

The Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted Endowment funds:

- The duration and preservation of the Endowment fund
- The purposes of the Organization and the donor-restricted Endowment fund
- General economic conditions, including possible effects of inflation (deflation)
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

NOTE 9. ENDOWMENT (CONTINUED)

As of June 30, 2022 and 2021, the Organization had the following Endowment net asset composition by type of fund:

	Without Donor Restriction	With Donor Restriction	Total
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	$ -	$ 100,000	$ 100,000
Earnings through June 30, 2021 on donor-restricted gift amount	-	3,251	3,251
Balance at June 30, 2021	-	103,251	103,251
Losses through June 30, 2022 on donor-restricted gift amount	-	(15,626)	(15,626)
Balance at June 30, 2022	$ -	$ 87,625	$ 87,625

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law ("Underwater Endowments"). The Organization has interpreted UPMIFA to permit spending from Underwater Endowments in accordance with prudent measures required under law. At June 30, 2022 and 2021, the Organization did not have any Underwater Endowments.

Investment and spending policies
The Organization has adopted investment and spending policies for the Endowment that attempt to provide a predictable stream of funding for operations while seeking to maintain the purchasing power of the endowment assets. Over time, long-term rates of return should be equal to an amount sufficient to maintain the purchasing power of the Endowment assets, to provide the necessary capital to fund the spending policy, and to cover the costs of managing the Endowment investments. The target minimum rate of return is 5%. Actual returns in any given year may vary from this amount. To satisfy this long-term rate-of-return objective, the investment portfolio is structured on a total-return approach through which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). A significant portion of the funds are invested to seek growth of principal over time.

The Organization will determine the maximum amount to spend from the Endowment. The amount that will be spent is adjusted from time to time by the board of directors and is applied to the average fair value of the Endowment investments for the prior 12 months at June 30 of each year to determine the spending amount for the upcoming year. As of June 30, 2022, the Organization is still determining the spending rate. In establishing this policy, the Organization is considering the long-term expected return on the Endowment and will set the rate with the objective of maintaining the purchasing power of the Endowment over time.

NOTE 10. EMPLOYEE SAVINGS PLAN

The Organization sponsors a 403(b) plan covering substantially all of its full-time employees. Under the plan, employees can elect to defer a percentage of their salary, subject to IRC limits, and the Organization may elect to make a discretionary contribution. The Organization made discretionary contributions in the amount of $66,290 and $61,594 for the years ended June 30, 2022 and 2021, respectively.

NOTE 11. COMMITMENTS

Leases

The Organization leases office space in Wayne, New Jersey. The lease was for five years beginning August 1, 2019. In March 2022, the Organization signed an extension agreement to extend the lease for an additional three years through August 31, 2025. The Organization also leased office space in Fair Lawn, New Jersey. The Fair Lawn lease was terminated effective August 1, 2020. In addition, the Organization leases school space in Fort Lee, Edgewater, Bayonne and Palisades Park, New Jersey, for school-based services. The leases are renewed annually with the respective school districts. The Organization leases kitchen space for its program services. The kitchen lease is effective for one year beginning January 1, 2022. Rent expense totaled $135,375 and $54,400 for the years ended June 30, 2022 and 2021, respectively.

Future minimum rental lease payments at June 30, 2022, are as follows:

Year ending June 30:	Amount
2023	$ 80,500
2024	36,900
2025	38,010
2026	6,366
	$ 161,776

The Organization leases copy machines. Equipment lease expense totaled $17,880 and $17,477 for the years ended June 30, 2022 and 2021, respectively.

Future minimum equipment lease payments at June 30, 2022, are as follows:

Year ending June 30:	Amount
2023	$ 17,880
2024	17,880
2025	17,880
2026	16,390
	$ 70,030

NOTE 12. CONTINGENCIES

Revenue from cost-reimbursement grants is subject to audits and possible adjustments by the funding agencies. The effects of any such adjustments are recorded when reasonably determinable. Management believes that the effect of audit adjustments, if any, will not have a material effect on the accompanying consolidating and consolidated financial statements.

NOTE 13. PAYCHECK PROTECTION PROGRAM

On April 28, 2020, the Organization received loan proceeds of $590,900 under the Paycheck Protection Program (the "PPP"). The PPP, which was established as part of the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act"), provides for loans to qualifying businesses for amounts up to 2.5 times certain average monthly payroll expenses of the qualifying business. The loan and accrued interest, or a portion thereof, may be forgiven after 24 weeks so long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent, mortgage interest and utilities, and maintains its payroll levels, as defined by the PPP.

At least 60% of the loan proceeds must be spent on payroll costs, as defined by the PPP for the loan to be eligible for forgiveness. The amount of loan forgiveness will be reduced by any amounts received by the Organization as an advance as part of the Economic Injury Disaster Loan program, made available through the Small Business Administration ("SBA"), that is ultimately converted to a grant.

The PPP loan matures two years from the date of first disbursement of proceeds to the Organization (the "PPP Loan Date") and accrues interest at a fixed rate of 1%. Payments are deferred for the first six months and payable in 54 equal consecutive monthly installments of principal and interest commencing upon expiration of the deferral period of the PPP Loan Date.

The Organization applied for PPP loan forgiveness and received approval from the SBA in September 2021. The Organization has recorded $590,900 of forgiveness in the accompanying consolidating statement of activities for the year ended June 30, 2021, as "Forgiveness of refundable advances." If it is determined that the Organization was not eligible to receive the PPP loan or that the Organization has not adequately complied with the rules, regulations and procedures applicable to the SBA's loan program, the Organization could be subject to penalties and could be required to repay the amounts previously forgiven.

NOTE 14. EMPLOYEE RETENTION TAX CREDITS

The Employee Retention Tax Credit ("ERTC"), as it existed under the CARES Act, was not available to organizations that received a PPP loan. Provisions in the Consolidated Appropriations Act of 2021 ("CAA"), which was signed into law on December 27, 2020, removed this restriction and allowed organizations that qualify for the ERTC to retroactively apply for the ERTC so long as the same wages are not used for both PPP loan forgiveness and the ERTC. Management has determined that it is probable that the Organization meets all the conditions to qualify for the ERTC. During the year ended June 30, 2022, the Organization submitted amended quarterly payroll tax returns claiming to recover approximately $780,000 in ERTCs. However, there can be no assurances that the Organization will ultimately meet the conditions of the ERTC or realize the amount of the credits claimed, in whole or in part. The Organization received total ERTC funds of $222,952 during the year ended June 30, 2022, and has recorded these funds in the accompanying consolidating statement of activities as "Employee Retention Tax Credits."