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

CONSOLIDATING FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

(WITH CERTAIN SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED JUNE 30, 2022)

**JEWISH FAMILY & CHILDREN'S SERVICES OF NORTHERN NEW JERSEY, INC.
AND JEWISH FAMILY SERVICE FOUNDATION, INC.
FOR THE YEAR ENDED JUNE 30, 2023
(WITH CERTAIN SUMMARIZED COMPARATIVE INFORMATION FOR
THE YEAR ENDED JUNE 30, 2022)**

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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 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, 2023, and the related consolidating statements of activities, functional expenses and cash flows for the year ended June 30, 2023, and the related notes to the consolidating financial statements.

In our opinion, the consolidating 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, 2023, and the changes in their net assets and their cash flows for the year ended June 30, 2023 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.

Adoption of New Accounting Pronouncement

As discussed in Note 2 to the consolidating financial statements, Jewish Family & Children's Services of Northern New Jersey, Inc. and Jewish Family Service Foundation, Inc. adopted Accounting Standards Codification Topic 842, *Leases*, as of July 1, 2022. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Responsibilities of Management for the Financial Statements (Continued)

In preparing the consolidating 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 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 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 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 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 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 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.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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, 2022 consolidating financial statements and we expressed an unmodified audit opinion on those audited consolidating financial statements in our report dated January 10, 2023. In our opinion, the summarized comparative information presented herein for the year ended June 30, 2022, is consistent, in all material respects, with the audited consolidating financial statements from which it has been derived.

New York, New York
January 23, 2024

Citrin Cooperman & Company, LLP

JEWISH FAMILY & CHILDREN'S SERVICES OF NORTHERN NEW JERSEY, INC.
AND JEWISH FAMILY SERVICE FOUNDATION, INC.
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

	2023				2022			
	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	$ 1,103,312	$ -	$ -	$ 1,103,312	$ 2,481,511	$ 90,714	$ -	$ 2,572,225
Investments	1,130,068	1,219,420	-	2,349,488	25,000	800,504	-	825,504
Accounts receivable	474,835	-	-	474,835	320,254	-	-	320,254
Prepaid expenses and other assets	82,007	-	-	82,007	60,547	-	-	60,547
Cemetery plots	20,198	-	-	20,198	25,198	-	-	25,198
Property and equipment, net	1,143,165	-	-	1,143,165	1,008,974	-	-	1,008,974
Operating leases, right-of-use asset	82,328	-	-	82,328	-	-	-	-
TOTAL ASSETS	$ 4,035,913	$ 1,219,420	$ -	$ 5,255,333	$ 3,921,484	$ 891,218	$ -	$ 4,812,702
LIABILITIES AND NET ASSETS								
Liabilities:								
Accounts payable and accrued expenses	$ 804,210	$ -	$ -	$ 804,210	$ 679,763	$ -	$ -	$ 679,763
Deferred income	298,370	-	-	298,370	1,241,233	-	-	1,241,233
Operating lease liabilities	83,363	-	-	83,363	-	-	-	-
Mortgage payable, net	314,951	-	-	314,951	330,043	-	-	330,043
Total liabilities	1,500,894	-	-	1,500,894	2,251,039	-	-	2,251,039
Commitments and contingencies (Notes 8, 9, 11, and 12)								
Net assets:								
Net assets without donor restriction	2,535,019	895,078	-	3,430,097	1,645,445	803,593	-	2,449,038
Net assets with donor restriction:								
Time-restricted for future periods	-	-	-	-	25,000	-	-	25,000
Donor-restricted to be held in perpetuity	-	324,342	-	324,342	-	87,625	-	87,625
Total net assets with donor restriction	-	324,342	-	324,342	25,000	87,625	-	112,625
Total net assets	2,535,019	1,219,420	-	3,754,439	1,670,445	891,218	-	2,561,663
TOTAL LIABILITIES AND NET ASSETS	$ 4,035,913	$ 1,219,420	$ -	$ 5,255,333	$ 3,921,484	$ 891,218	$ -	$ 4,812,702

See accompanying notes to consolidating 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, 2023
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED JUNE 30, 2022)

		2023							2022
		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 (expense):									
Public support:									
Jewish Federation of Northern New Jersey		$ 918,791	$ -	$ 918,791	$ -	$ -	$ -	$ 918,791	$ 1,014,485
Grant income		6,720,197	-	6,720,197	-	-	-	6,720,197	4,645,559
Contributions		911,264	-	911,264	16,254	210,000	226,254	1,137,518	916,781
In-kind contributions		745	-	745	-	-	-	745	18,298
Fundraising events revenue:									
Fundraising events	$ 337,599								
Less: direct donor benefit	98,450								
Net fundraising events revenue		239,149	-	239,149	-	-	-	239,149	276,716
Total public support		8,790,146	-	8,790,146	16,254	210,000	226,254	9,016,400	6,871,839
Other revenue (expense):									
Counseling fees		818,570	-	818,570	-	-	-	818,570	768,131
Program fees - school-based services		837,864	-	837,864	-	-	-	837,864	1,315,553
Other program fees		134,530	-	134,530	-	-	-	134,530	170,112
Investment income (loss)		-	-	-	75,231	26,717	101,948	101,948	(121,827)
Other		51,859	-	51,859	-	-	-	51,859	7,760
Other revenue (expense), net		1,842,823	-	1,842,823	75,231	26,717	101,948	1,944,771	2,139,729
Net assets released from purpose and time restriction		25,000	(25,000)	-	-	-	-	-	-
Total public support and other revenue (expense)		10,657,969	(25,000)	10,632,969	91,485	236,717	328,202	10,961,171	9,011,568

See accompanying notes to consolidating financial statements.

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, 2023
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR
THE YEAR ENDED JUNE 30, 2022)

	2023							2022
	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)	$ 10,657,969	$ (25,000)	$ 10,632,969	$ 91,485	$ 236,717	$ 328,202	$ 10,961,171	$ 9,011,568
Expenses:								
Program services:								
Family counseling	1,159,821	-	1,159,821	-	-	-	1,159,821	1,084,002
Senior adults	5,650,207	-	5,650,207	-	-	-	5,650,207	4,065,684
Adult case management	718,328	-	718,328	-	-	-	718,328	618,539
School-based services	950,868	-	950,868	-	-	-	950,868	1,269,009
Community social work	133,463	-	133,463	-	-	-	133,463	122,716
Total program services	8,612,687	-	8,612,687	-	-	-	8,612,687	7,159,950
Supporting services:								
Management and general	1,003,040	-	1,003,040	-	-	-	1,003,040	899,568
Fundraising	651,714	-	651,714	-	-	-	651,714	641,429
Rental expenses	58,037	-	58,037	-	-	-	58,037	46,254
Total supporting services	1,712,791	-	1,712,791	-	-	-	1,712,791	1,587,251
Total expenses	10,325,478	-	10,325,478	-	-	-	10,325,478	8,747,201
Other income:								
Employee retention tax credits	557,083	-	557,083	-	-	-	557,083	222,952
Total other income	557,083	-	557,083	-	-	-	557,083	222,952
Change in net assets	889,574	(25,000)	864,574	91,485	236,717	328,202	1,192,776	487,319
Net assets - beginning	1,645,445	25,000	1,670,445	803,593	87,625	891,218	2,561,663	2,074,344
NET ASSETS - ENDING	$ 2,535,019	$ -	$ 2,535,019	$ 895,078	$ 324,342	$ 1,219,420	$ 3,754,439	$ 2,561,663

See accompanying notes to consolidating 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, 2023
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR
THE YEAR ENDED JUNE 30, 2022)

	2023														2022
	Jewish Family & Children's Services of Northern New Jersey, Inc.												Jewish Family Service Foundation, Inc.		
	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	Total Expenses	Total Expenses	Consolidated Total	Summarized Comparative Consolidated Total
Personnel costs:															
Salaries	$ 517,392	$ 680,122	$ 269,576	$ 574,557	$ 102,792	$ 2,144,439	$ 539,292	$ 420,576	$ -	$ -	$ 959,868	$ 3,104,307	$ -	$ 3,104,307	$ 3,066,483
Payroll taxes and employee benefits	100,326	156,921	56,494	75,963	22,421	412,125	150,934	138,633	-	-	289,567	701,692	-	701,692	593,722
Total personnel costs	617,718	837,043	326,070	650,520	125,213	2,556,564	690,226	559,209	-	-	1,249,435	3,805,999	-	3,805,999	3,660,205
Other expenses:															
Professional, counseling and staffing fees	465,278	4,382,305	9,769	167,093	-	5,024,445	68,754	331	-	2,195	71,280	5,095,725	-	5,095,725	3,653,030
Accounting and other fees	-	-	356	1,806	-	2,162	81,913	43	-	-	81,956	84,118	-	84,118	81,439
Supplies	2,192	3,537	3,566	5,728	-	15,023	17,024	1,212	3,168	-	21,404	36,427	-	36,427	31,245
Assistance to individuals	4,329	65,046	250,915	-	-	320,290	-	-	-	-	-	320,290	-	320,290	268,426
Staff travel and development	16,784	31,047	1,937	1,836	380	51,984	1,996	489	-	-	2,485	54,469	-	54,469	29,153
Telephone	685	1,017	591	5,978	-	8,271	24,890	1,432	-	-	26,322	34,593	-	34,593	28,578
Postage and shipping	743	2,675	562	3	-	3,983	1,202	3,397	-	-	4,599	8,582	-	8,582	9,972
Minor equipment	100	-	4,787	-	-	4,887	29,517	1,684	-	611	31,812	36,699	-	36,699	38,372
Printing and design	45	215	297	-	-	557	257	16,172	6,749	-	23,178	23,735	-	23,735	25,547
Advertising and public relations	-	-	-	-	-	-	222	2,395	18,332	-	20,949	20,949	-	20,949	23,021
Food and venue	2,170	9,434	91,011	39,933	-	142,548	5,817	26,979	67,577	-	100,373	242,921	-	242,921	270,713
Food - KMOW	-	249,462	-	-	-	249,462	-	-	-	-	-	249,462	-	249,462	268,497
Dues and conferences	10,409	2,814	1,226	177	-	14,626	18,757	10,094	-	-	28,851	43,477	-	43,477	34,390
Rent and occupancy	-	11,810	-	40,000	-	51,810	-	-	-	36,960	36,960	88,770	-	88,770	135,375
Occupancy	16,301	21,428	8,493	18,102	3,239	67,563	16,992	13,251	-	1,795	32,038	99,601	-	99,601	95,057
Insurance	7,750	12,239	10,767	2,682	1,588	35,026	18,383	2,574	2,624	-	23,581	58,607	-	58,607	44,663
Interest	-	-	-	-	-	-	-	-	-	14,681	14,681	14,681	-	14,681	16,155
Depreciation and amortization	15,317	20,135	7,981	17,010	3,043	63,486	15,966	12,452	-	1,795	30,213	93,699	-	93,699	88,949
Miscellaneous	-	-	-	-	-	-	11,124	-	-	-	11,124	11,124	-	11,124	14,048
Total other expenses	542,103	4,813,164	392,258	300,348	8,250	6,056,123	312,814	92,505	98,450	58,037	561,806	6,617,929	-	6,617,929	5,156,630
TOTAL EXPENSES	1,159,821	5,650,207	718,328	950,868	133,463	8,612,687	1,003,040	651,714	98,450	58,037	1,811,241	10,423,928	-	10,423,928	8,816,835
Less: expenses deducted directly from revenues: Direct donor benefit of fundraising events	-	-	-	-	-	-	-	-	98,450	-	98,450	98,450	-	98,450	69,634
TOTAL EXPENSES REPORTED BY FUNCTION ON THE CONSOLIDATING STATEMENT OF ACTIVITIES	$ 1,159,821	$5,650,207	$ 718,328	$ 950,868	$ 133,463	$ 8,612,687	$ 1,003,040	$ 651,714	$ -	$ 58,037	$ 1,712,791	$10,325,478	$ -	$ 10,325,478	$ 8,747,201

JEWISH FAMILY & CHILDREN'S SERVICES OF NORTHERN NEW JERSEY, INC. AND JEWISH FAMILY SERVICE FOUNDATION, INC.
CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED JUNE 30, 2022)

	2023			2022
	Jewish Family & Children's Services of Northern New Jersey, Inc.	Jewish Family Service Foundation, Inc.	Consolidated Total	Summarized Comparative Consolidated Total
Cash flows from operating activities:				
Change in net assets	$ 864,574	$ 328,202	$ 1,192,776	$ 487,319
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:				
Employee retention tax credits	(557,083)	-	(557,083)	(222,952)
Net unrealized loss (gain) on investments	-	(86,251)	(86,251)	168,655
Donated securities	-	-	-	(8,648)
Noncash lease expense	1,035	-	1,035	-
Depreciation	93,699	-	93,699	88,949
Amortization of deferred financing costs	785	-	785	786
Changes in assets and liabilities:				
Accounts receivable	(154,581)	-	(154,581)	20,335
Prepaid expenses and other assets	(21,460)	-	(21,460)	(10,776)
Security deposits	-	-	-	(2,194)
Cemetery plots	5,000	-	5,000	(17,998)
Accounts payable and accrued expenses	124,447	-	124,447	78,851
Deferred income	(942,863)	-	(942,863)	877,742
Net cash provided by (used in) operating activities	(586,447)	241,951	(344,496)	1,460,069
Cash flows from investing activities:				
Proceeds from sale/redemption of investments	25,000	106,758	131,758	44,310
Purchases of investments	(1,130,068)	(439,423)	(1,569,491)	(79,974)
Purchase of property and equipment	(227,890)	-	(227,890)	(60,764)
Net cash used in investing activities	(1,332,958)	(332,665)	(1,665,623)	(96,428)
Cash flows from financing activities:				
Principal payments of mortgage payable	(15,877)	-	(15,877)	(15,220)
Employee retention tax credits	557,083	-	557,083	222,952
Net cash provided by financing activities	541,206	-	541,206	207,732
Net increase (decrease) in cash and cash equivalents	(1,378,199)	(90,714)	(1,468,913)	1,571,373
Cash and cash equivalents - beginning	2,481,511	90,714	2,572,225	1,000,852
CASH AND CASH EQUIVALENTS - ENDING	$ 1,103,312	$ -	$ 1,103,312	$ 2,572,225
Supplemental disclosures of cash flow information:				
Interest paid	$ 13,901	$ -	$ 13,901	$ 14,555
Supplemental schedules of non-cash activities:				
Operating lease right-of-use assets and lease liabilities recognized in connection with implementation of ASC 842 on July 1, 2022	$ 125,442	$ -	$ 125,442	-

See accompanying notes to consolidating 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.

JFCSNNJ fulfills its mission by focusing its efforts in the below programs:

Family Counseling

To provide weekly outpatient therapy for family members facing various challenges.

Senior Adults

To provide including in-home assessments, care management, Kosher Meals-on-Wheels, caregiver support and emergency assistance for seniors and their caregivers.

Adult Case Management

To provide information and referral, food pantry, emergency assistance and case management.

School-Based Services

To provide after-school programming in various school districts.

Community Social Work

To provide outreach and needs assessment, as well as group programming in the community.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

The accompanying consolidating 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.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Summarized comparative information
The consolidating 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 financial statements for the year ended June 30, 2022, from which this summarized information was derived.

Financial statement presentation
The accompanying consolidating 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.

Fair value measurements
The Financial Accounting Standards Board ("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).

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.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value measurements (continued)

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. The Organization has no Level 3 investments.

During the years ended June 30, 2023 and 2022, there were no transfers between levels of the fair value hierarchy.

Use of estimates

The preparation of consolidating 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 financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

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.

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)

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. As of both June 30, 2023 and 2022, there was no allowance for doubtful accounts for accounts receivable.

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.

Impairment of long-lived assets

The Organization reviews the long-lived assets held and used by the Organization, which consist of property and equipment and the operating leases right-of-use assets, for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent the carrying value exceeds the fair value of the asset. There were no asset impairment charges during the years ended June 30, 2023 and 2022.

Leases

The Organization has operating lease agreements for certain office space and programming space expiring through 2025. The Organization determines if an arrangement is a lease at the inception of the contract. At the lease commencement date, each lease is evaluated to determine whether it will be classified as an operating or finance lease. For leases with a lease term of 12 months or less (a "short-term" lease), any fixed lease payments are recognized on a straight-line basis over such term, and are not recognized on the statements of financial position.

Lease terms include the noncancellable portion of the underlying leases along with any reasonably certain lease periods associated with available renewal periods, termination options and purchase options. The Organization has lease agreements with lease and non-lease components, which are generally accounted for separately with amounts allocated to the lease and non-lease components based on stand-alone prices. The Organization uses the risk-free discount rate when the rate implicit in the lease is not readily determinable at the commencement date in determining the present value of lease payments.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (continued)

Certain leases contain fixed and determinable escalation clauses for which The Organization recognizes rental expense under these leases on the straight-line basis over the lease terms, which include the period of time from when the Organization takes possession of the leased space. The lease agreements do not contain any material residual value guarantees or material restrictive covenants. Leases with an initial term of 12 months or less are not recorded on the statements of financial position; the Organization recognizes lease expense for these leases on a straight-line basis over the lease term. Expense recognized under the terms of these leases totaled $40,000 for each the years ended June 30, 2023 and 2022.

Deferred financing costs

Deferred financing costs, net of accumulated amortization, are reported as a direct reduction of the debt obligation to which such costs relate. Amortization of debt issuance costs is reported as a component of interest expense and is computed on the straight-line method, which approximates the effective interest method. For each of the years ended June 30, 2023 and 2022, amortization of deferred financing costs of $785 was incurred and is included in "Interest" in the accompanying consolidating statements of functional expenses.

Revenue and support recognition

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

Program income 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.

School-based program services are offered by the Organization throughout the course of the school year and the revenue is recognized over the period of time of the service is rendered. Payments for school-based program services received in advance are deferred until the related services has been performed. The Organization determines transaction prices for school-based program services based on contractually agreed-upon rates per the program contracts.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and support recognition (continued)

Program income and counseling fees (continued)
Other program services and counseling are offered as needed through the fiscal year and the revenue is recognized at the point in time the service is rendered. Payments for other program services and counseling received in advance are deferred until the related services has been performed. The Organization determines transaction prices for other program services and counseling based on contractually agreed-upon rates per the agreements.

Fundraising events revenue consists of ticket sales and sponsorship fees. Ticket sales are recognized as revenue at the time the event takes place. Sponsorship fees are recognized as revenue at the time the event for which the sponsorship fees relate takes place. Payments for ticket sales or sponsorship fees received in advance are deferred to the applicable period in which the related event takes place. The Organization determines transaction price for ticket sales and sponsorship fees based on contractually agreed-upon rates per event or sponsorship.

The Organization believes that these methods for recognizing revenue provide a faithful depiction of the transfer of goods and services over the term of the performance obligation based on the inputs needed to satisfy the obligation.

Grants
A portion of the Organization's revenue is derived from grants, including a grant from Jewish Federation of Northern New Jersey ("JFNNJ"), some of which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when expenditures in compliance with specific contract or grant provisions have been incurred. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the accompanying consolidating statements of financial position. As of June 30, 2023 and 2022, $296,271 and $1,235,963 respectively, have been received by JFCSNNJ in advance under these grants and recorded as a component of "Deferred income" in the accompanying consolidating statements of financial position.

Contributions
Contributions, including unconditional promises to give, are recognized at fair value as revenues in the period received. Conditional promises to give are not recognized until they become unconditional; that is, at the time when the conditions on which they depend are substantially met. Contributions to be received after one year are discounted at an appropriate discount rate that is commensurate with the risks involved, if any.

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.

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. 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
Salaries	Time and effort
Payroll taxes and employee benefits	Time and effort
Rent and occupancy	Square footage occupied
Occupancy	Square footage occupied
Depreciation and amortization	Square footage occupied

Advertising

Advertising costs are expensed as incurred and aggregated $20,949 and $23,021 for JFCSNNJ for the years ended June 30, 2023 and 2022, respectively.

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 financial statements.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassifications

Certain amounts in the June 30, 2022 consolidating financial statement have been reclassified to conform to the current-year presentation. Total assets, liabilities, net assets, and change in net assets are unchanged due to these reclassifications.

Recently adopted accounting pronouncements

In February 2016, FASB issued Accounting Standards Update ("ASU") No. 2016-02, *Leases* ("ASC 842") as amended, which requires the recording of right-of-use assets and lease liabilities and the expanded disclosure for operating and finance leasing arrangements. Leases are classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the income statement. The Organization adopted ASC 842 using the modified retrospective approach on July 1, 2022.

The Organization adopted the package of practical expedients available at transition that retained the lease classification under ASC 840, *Leases*, and initial direct costs for any leases that existed prior to adoption of ASC 842. Contracts entered into prior to adoption were not reassessed for leases or embedded leases, nor were the initial direct costs associated with expired or existing leases reassessed. In addition, the Organization used hindsight in determining lease term and considerations for impairment. The Organization also made accounting policy elections to not recognize short-term leases on the consolidating statements of financial position and to utilize the risk-free discount rate when the rate implicit in the lease is not readily determinable.

In connection with the adoption of ASC 842, the Organization performed an analysis of contracts containing leases as of July 1, 2022 and recognized operating lease right-of-use assets and lease liabilities of $125,442.

Recently issued but not yet effective accounting pronouncement

In June 2016, FASB issued ASU No. 2016-13, *Financial Instruments - Credit Losses (Topic 326)* ("ASU 2016-13"), which requires entities to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. This guidance replaces the existing incurred loss model and is applicable to the measurement of credit losses on financial assets measured at amortized cost. ASU 2016-13, as amended, is effective for private companies for fiscal years beginning after December 15, 2022. The Organization is currently evaluating the impact of the standard on its consolidating financial statements and related disclosures.

Subsequent events

In accordance with FASB ASC 855, *Subsequent Events*, the Organization has evaluated subsequent events through January 23, 2024, the date that these consolidating financial statements were available for issuance. Based on this evaluation, there were no material subsequent events that required recognition or additional disclosure in these consolidating financial statements.

NOTE 3. CONCENTRATIONS AND CREDIT RISK

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, 2023 and 2022. 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.

Receivables, revenues and support

Revenue from Conference on Jewish Material Claims Against Germany, Inc. accounted for 43% and 35% of total public support and other revenue for JFCSNNJ during the years ended June 30, 2023 and 2022, respectively.

One donor comprised $214,285 or 95% of total contributions for JFSF revenue for the year ended June 30, 2023.

As of June 30, 2023, the JFNNJ grant and Conference on Jewish Material Claims Against Germany, Inc accounted for 52% and 25%, respectively, of total accounts receivable for JFCSNNJ.

As of June 30, 2022, Medicare and Medicaid, the JFNNJ grant, NJ Holocaust grant, and Passaic County Human Services grant accounted for 10%, 35%, 11%, and 14% respectively, of total accounts receivable for JFCSNNJ.

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).

NOTE 4. FAIR VALUE MEASUREMENTS (CONTINUED)

The following tables present the investments measured at fair value by level at June 30, 2023 and 2022:

Description	Total at June 30, 2023	Level 1	Level 2	Level 3	Valuation Technique
Jewish Family & Children's Services of Northern New Jersey, Inc.:					
Assets in fair value hierarchy:					
Mutual funds	$ 1,130,068	$ 1,130,068	$ -	$ -	(a)
Jewish Family Service Foundation, Inc.:					
Assets in fair value hierarchy:					
Money market funds	$ 197,472	$ 197,472	$ -	$ -	(a)
Investments measured at net asset value *	1,021,948				
Total investments at fair value	$ 1,219,420				
Consolidated:					
Assets in fair value hierarchy:					
Mutual funds	$ 1,130,068	$ 1,130,068	$ -	$ -	(a)
Money market funds	197,472	197,472	-	-	(a)
Total investments in fair value hierarchy	1,327,540	$ 1,327,540	$ -	$ -	
Investments measured at net asset value *	1,021,948				
Total investments at fair value	$ 2,349,488				

NOTE 4. FAIR VALUE MEASUREMENTS (CONTINUED)

Description	Total at June 30, 2022	Level 1	Level 2	Level 3	Valuation Technique
Jewish Family & Children's Services of Northern New Jersey, Inc.:					
Assets in fair value hierarchy:					
International bonds	$ 25,000	$ -	$ 25,000	$ -	(b)
Jewish Family Service Foundation, Inc.:					
Assets in fair value hierarchy:					
Money market funds	$ 102,718	$ -	$ -	$ -	(a)
Investments measured at net asset value *	697,786				
Total investments at fair value	$ 800,504				
Consolidated:					
Assets in fair value hierarchy:					
International bonds	$ 25,000	$ -	$ 25,000	$ -	(b)
Money market funds	102,718	102,718	-	-	(a)
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				

* Pooled investment accounts

NOTE 4. FAIR VALUE MEASUREMENTS (CONTINUED)

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

Money market funds - the fair value is based on original cost plus accrued interest, which approximates fair value.

Mutual funds - the fair value is based on quoted net asset value obtained from the closing price reported in the active market where it is traded.

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, 2023	$ 1,021,948	$ -	Monthly	None	30 days

	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

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 JFCSNNJ's property and equipment as of June 30, 2023 and 2022:

	2023		
	Cost	Accumulated Depreciation	Net
Land	$ 536,700	$ -	$ 536,700
Automobiles	38,887	(13,888)	24,999
Building and improvements	1,388,542	(868,194)	520,348
Software	152,394	(120,469)	31,925
Furniture and equipment	146,984	(117,791)	29,193
	$ 2,263,507	$ (1,120,342)	$ 1,143,165

	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

Depreciation and amortization expense for the years ended June 30, 2023 and 2022, was $93,699 and $88,949, 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.

The table below presents financial assets available for general expenditures as of June 30, 2023 and 2022:

	2023		
	JFCSNNJ	JFSF	Consolidated Total
Financial assets at year end:			
Cash and cash equivalents	$ 1,103,312	$ -	$ 1,103,312
Investments	1,130,068	1,219,420	2,349,488
Accounts receivable	474,835	-	474,835
Total financial assets available	2,708,215	1,219,420	3,927,635
Less assets unavailable for general expenditures:			
Donor-restricted net assets	-	324,342	324,342
Financial assets available to meet general expenditures within one year	$ 2,708,215	$ 895,078	$ 3,603,293

	2022		
	JFCSNNJ	JFSF	Consolidated Total
Financial assets at year end:			
Cash and cash equivalents	$ 2,481,511	$ 90,714	$ 2,572,225
Investments	25,000	800,504	825,504
Accounts receivable	320,254	-	320,254
Total financial assets available	2,826,765	891,218	3,717,983
Less assets unavailable for general expenditures:			
Donor-restricted net assets	25,000	87,625	112,625
Financial assets available to meet general expenditures within one year	$ 2,801,765	$ 803,593	$ 3,605,358

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, 2023 and 2022:

	2023	2022
Jewish Family & Children's Services of Northern New Jersey, Inc.:		
Restricted to future periods	$ -	$ 25,000
Jewish Family Service Foundation, Inc.:		
Restricted to future periods	$ -	$ -

The Organization's net assets required to be held in perpetuity with donor restrictions at June 30, 2023 and 2022, are restricted for the following purposes:

	2023	2022
Jewish Family & Children's Services of Northern New Jersey, Inc.:		
	$ -	$ -
Jewish Family Service Foundation, Inc.:		
Mental health services	$ 97,710	$ 87,625
Programs and services	226,632	-
	$ 324,342	$ 87,625

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 (8.25% and 4.75% at June 30, 2023 and 2022, respectively) plus 1% per annum. There was no outstanding balance on this line of credit at June 30, 2023 and 2022.

Principal payments due in the next five years and thereafter at June 30, 2023, are as follows:

Year ending June 30:	Amount
2024	$ 16,520
2025	17,272
2026	18,020
2027	18,800
2028	247,677
	318,289
Less: unamortized deferred financing costs	3,338
	$ 314,951

NOTE 8. MORTGAGE PAYABLE (CONTINUED)

Interest expense amounted to $13,896 and $14,555 for the years ended June 30, 2023 and 2022, respectively.

NOTE 9. ENDOWMENT

On April 13, 2021, JFSF received a donor-restricted contribution to be used for the establishment of a permanent endowment fund to provide funding for mental health services provided by the Organization.

On November 8, 2022, JFSF received a donor-restricted contribution to be used for the establishment of a permanent endowment fund to support the programs and services of the Organization.

On December 1, 2022, JFSF received a donor-restricted contribution to be used for the establishment of a permanent endowment fund to support the programs and services of the Organization.

These deposits, collectively referred to as the Endowment, have been established in three individual funds. In accordance with U.S. GAAP, net assets associated with Endowment is classified and reported based on the existence or absence of donor-imposed stipulations.

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, 2023, there were no such donor stipulations. As a result of this interpretation, JFSF 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 JFSF 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, 2023 and 2022, JFSF 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	$ -	$ 310,000	$ 310,000
Accumulated gains and other	-	14,342	14,342
Total funds	$ -	$ 324,342	$ 324,342
Balance at July 1, 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
Contributions	-	210,000	210,000
Earnings through June 30, 2023 on donor-restricted gift amounts	-	26,717	26,717
Balance at June 30, 2023	$ -	$ 324,342	$ 324,342

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, 2023 and 2022, 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.

NOTE 9. ENDOWMENT (CONTINUED)

Investment and spending policies (continued)
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, 2023, 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

JFCSNNJ 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 JFCSNNJ may elect to make a discretionary contribution. JFCSNNJ made discretionary contributions in the amount of $119,223 and $66,290 for the years ended June 30, 2023 and 2022, respectively.

NOTE 11. OPERATING LEASES

JFCSNNJ 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. In addition, the Organization leases school space in Fort Lee, Edgewater, Bayonne, and Palisades Park, New Jersey, for school-based services. The leases are 12 months or less and are eligible for renewal annually with the respective school districts, some of which are and some of which are not. The Organization leases kitchen space for its program services. The kitchen lease was effective for a one-year period beginning January 1, 2022 and was renewed for a one-year period through December 31, 2023.

Total operating lease expense was $88,770 and $135,375 for the years ended June 30, 2023 and 2022, respectively.

Maturities of operating lease liabilities as of June 30, 2023, are as follows:

Year ending June 30:	Amount
2024	$ 41,400
2025	38,010
2026	6,366
Net minimum lease payments	85,776
Less: interest	2,413
Present value of lease liabilities	83,363
Less: current portion	41,400
Lease liabilities, net of current portion	$ 41,963

NOTE 11. OPERATING LEASES (CONTINUED)

Supplemental cash flow information related to operating leases for the year ended June 30, 2023, was as follows:

Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows used for operating leases	$ 45,000
Weighted-average remaining lease term (in years):	
Operating leases	2.08
Weighted-average discount rate (%):	
Operating leases	2.85

NOTE 12. CONTINGENCIES

Revenue from cost-reimbursement grants are 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 financial statements.

NOTE 13. 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 $557,083 and $222,952 during the years ended June 30, 2023 and 2022, respectively, and has recorded these funds in the accompanying consolidating statement of activities as "Employee retention tax credits."