

**JEWISH FAMILY SERVICE OF  
GREATER HARTFORD, INC.**

Independent Auditors' Report  
Consolidated Financial Statements

June 30, 2023 and 2022



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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Jewish Family Service of Greater Hartford, Inc.

### ***Opinion***

We have audited the accompanying consolidated financial statements of Jewish Family Service of Greater Hartford, Inc. (the "Agency") (a nonprofit organization), which comprise the consolidated statements of financial position as of June 30, 2023 and 2022 and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the "financial statements").

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of June 30, 2023 and 2022 and the changes in its net assets and its 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 further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency to meet our other ethical responsibilities in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Change in Accounting Principle***

As described in Note 2 to the financial statements, the Agency. changed its method of accounting for leases during the year ended June 30, 2023, as required by the provisions of FASB Accounting Standards Update Number 2016-02. Our opinion is not modified with respect to that matter.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

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

### ***Report on Supplementary Information***

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



Hartford, Connecticut  
October 27, 2023

# JEWISH FAMILY SERVICE OF GREATER HARTFORD, INC.

## Consolidated Statements of Financial Position

June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 1,095,648	\$ 811,494
Grants receivable	266,091	191,257
Accounts receivable, net	413,386	410,094
Prepaid expenses	68,001	63,998
Investments	695,343	674,765
Right-of-use operating lease assets	225,338	-
Equipment, software and leasehold improvements, net	64,323	39,256
	<u>2,828,130</u>	<u>2,190,864</u>
Total assets	<u>\$ 2,828,130</u>	<u>\$ 2,190,864</u>
<b>Liabilities and Net Assets</b>		
Liabilities		
Accounts payable and accrued liabilities	\$ 291,385	\$ 291,723
Deferred revenue and refundable advances	77,424	103,044
Operating lease obligations	226,838	-
	<u>595,647</u>	<u>394,767</u>
Total liabilities	<u>595,647</u>	<u>394,767</u>
Net Assets		
Net assets without donor restrictions	1,668,760	1,658,149
Net assets with donor restrictions	563,723	137,948
	<u>2,232,483</u>	<u>1,796,097</u>
Total net assets	<u>2,232,483</u>	<u>1,796,097</u>
	<u>\$ 2,828,130</u>	<u>\$ 2,190,864</u>
Total liabilities and net assets	<u>\$ 2,828,130</u>	<u>\$ 2,190,864</u>

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

## JEWISH FAMILY SERVICE OF GREATER HARTFORD, INC.

### Consolidated Statement of Activities and Changes in Net Assets

For the year ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues and support</b>			
Grants and contributions	\$ 1,095,817	\$ 915,230	\$ 2,011,047
Contributed nonfinancial assets	130,641	-	130,641
Holocaust Survivors Grants	1,379,718	-	1,379,718
Fee income, net	4,666,796	-	4,666,796
Other income	2,362	-	2,362
Net assets released due to satisfaction of restrictions	489,455	(489,455)	-
Total revenues and support	<u>7,764,789</u>	<u>425,775</u>	<u>8,190,564</u>
<b>Expenses</b>			
Program:			
Clinic	1,044,676	-	1,044,676
Holocaust Survivors	1,467,794	-	1,467,794
Community Programs	841,759	-	841,759
JFS Care at Home	2,951,315	-	2,951,315
Total program expenses	6,305,544	-	6,305,544
General and administrative	1,057,540	-	1,057,540
Fundraising	448,248	-	448,248
Total expenses	<u>7,811,332</u>	<u>-</u>	<u>7,811,332</u>
Changes in net assets from operations	<u>(46,543)</u>	<u>425,775</u>	<u>379,232</u>
Non-operating activities			
Investment income, net	57,154	-	57,154
Change in net assets	10,611	425,775	436,386
Net assets, beginning	<u>1,658,149</u>	<u>137,948</u>	<u>1,796,097</u>
Net assets, ending	<u>\$ 1,668,760</u>	<u>\$ 563,723</u>	<u>\$ 2,232,483</u>

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

## JEWISH FAMILY SERVICE OF GREATER HARTFORD, INC.

### Consolidated Statement of Activities and Changes in Net Assets

For the year ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues and support</b>			
Grants and contributions	\$ 1,403,274	\$ 110,799	\$ 1,514,073
Contributed nonfinancial assets	83,838	-	83,838
Holocaust Survivors Grants	878,826	-	878,826
Fee income, net	4,452,960	-	4,452,960
Other income	206	-	206
Net assets released due to satisfaction of restrictions	145,160	(145,160)	-
Total revenues and support	<u>6,964,264</u>	<u>(34,361)</u>	<u>6,929,903</u>
<b>Expenses</b>			
Program:			
Clinic	1,070,536	-	1,070,536
Holocaust Survivors	877,399	-	877,399
Community Programs	587,563	-	587,563
JFS Care at Home	3,423,439	-	3,423,439
Total program expenses	5,958,937	-	5,958,937
General and administrative	611,461	-	611,461
Fundraising	417,296	-	417,296
Total expenses	<u>6,987,694</u>	<u>-</u>	<u>6,987,694</u>
Changes in net assets from operations	<u>(23,430)</u>	<u>(34,361)</u>	<u>(57,791)</u>
Non-operating activities			
Investment loss, net	<u>(96,064)</u>	<u>-</u>	<u>(96,064)</u>
Change in net assets	(119,494)	(34,361)	(153,855)
Net assets, beginning	<u>1,777,643</u>	<u>172,309</u>	<u>1,949,952</u>
Net assets, ending	<u>\$ 1,658,149</u>	<u>\$ 137,948</u>	<u>\$ 1,796,097</u>

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

**JEWISH FAMILY SERVICE OF GREATER HARTFORD, INC.**

**Consolidated Statement of Functional Expenses**

For the year ended June 30, 2023

	Program				Total Program	General and Administrative	Fundraising	Total
	Clinic	Holocaust Survivors	Community Programs	JFS Care At Home				
Salaries	\$ 785,298	\$ 126,731	\$ 358,259	\$ 2,506,332	\$ 3,776,620	\$ 638,614	\$ 324,770	\$ 4,740,004
Payroll taxes	52,239	11,381	31,225	215,409	310,254	40,847	25,305	376,406
Employee benefits	12,163	27,232	10,533	55,649	105,577	92,349	42,800	240,726
Assistance	6,118	1,272,226	241,468	36,876	1,556,688	-	-	1,556,688
Insurance	27,364	1,787	8,791	39,809	77,751	10,426	1,672	89,849
Public relations	469	-	48	7,411	7,928	2,492	6,514	16,934
Office expenses	34,442	5,491	31,588	31,117	102,638	59,918	9,768	172,324
Depreciation and amortization	11,238	1,870	2,699	219	16,026	2,437	354	18,817
Travel and conferences	9,858	4,686	16,570	6,267	37,381	5,559	1,810	44,750
Rent	35,021	4,191	27,386	16,042	82,640	9,953	4,158	96,751
Telephone	8,067	1,466	10,156	6,775	26,464	9,526	1,623	37,613
Dues and subscriptions	6,617	72	13,083	14,642	34,414	12,035	1,256	47,705
Professional fees	55,782	10,661	89,953	14,767	171,163	173,384	13,798	358,345
Fundraising	-	-	-	-	-	-	14,420	14,420
<b>Total expenses</b>	<b><u>\$ 1,044,676</u></b>	<b><u>\$ 1,467,794</u></b>	<b><u>\$ 841,759</u></b>	<b><u>\$ 2,951,315</u></b>	<b><u>\$ 6,305,544</u></b>	<b><u>\$ 1,057,540</u></b>	<b><u>\$ 448,248</u></b>	<b><u>\$ 7,811,332</u></b>

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

**JEWISH FAMILY SERVICE OF GREATER HARTFORD, INC.**

**Consolidated Statement of Functional Expenses**

For the year ended June 30, 2022

	Program				Total Program	General and Administrative	Fundraising	Total
	Clinic	Holocaust Survivors	Community Programs	JFS Care At Home				
Salaries	\$ 797,486	\$ 96,894	\$ 222,822	\$ 2,896,128	\$ 4,013,330	\$ 442,401	\$ 319,981	\$ 4,775,712
Payroll taxes	65,656	7,977	18,345	238,434	330,412	36,422	26,344	393,178
Employee benefits	33,154	4,028	9,263	120,402	166,847	18,393	13,303	198,543
Assistance	5,912	714,463	167,036	11,073	898,484	-	-	898,484
Insurance	8,109	630	17,866	31,118	57,723	1,208	527	59,458
Public relations	903	-	2,292	12,860	16,055	1,723	5,878	23,656
Office expenses	16,380	10,468	15,960	64,198	107,006	22,939	29,590	159,535
Depreciation and amortization	9,536	2,384	17,717	-	29,637	-	-	29,637
Travel and conferences	1,482	8,787	16,730	5,081	32,080	10,386	-	42,466
Rent	26,581	6,131	30,634	18,924	82,270	7,556	5,838	95,664
Telephone	6,113	1,059	5,843	7,926	20,941	1,850	442	23,233
Dues and subscriptions	-	683	13,693	10,107	24,483	701	-	25,184
Professional fees	70,021	23,895	49,362	6,188	149,466	67,882	12,467	229,815
Fundraising	-	-	-	-	-	-	2,926	2,926
Bad debt	29,203	-	-	1,000	30,203	-	-	30,203
<b>Total expenses</b>	<b>\$ 1,070,536</b>	<b>\$ 877,399</b>	<b>\$ 587,563</b>	<b>\$ 3,423,439</b>	<b>\$ 5,958,937</b>	<b>\$ 611,461</b>	<b>\$ 417,296</b>	<b>\$ 6,987,694</b>

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



# JEWISH FAMILY SERVICE OF GREATER HARTFORD, INC.

## Consolidated Statements of Cash Flows

For the years ended June 30, 2023 and 2022

	2023	2022
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 436,386	\$ (153,855)
Adjustments to reconcile change in net assets to net change in cash from operating activities		
Depreciation and amortization	18,817	29,637
Unrealized (gain)/loss on investments, net	(36,650)	141,876
Realized gain on investments, net	(12,265)	(36,610)
Non-cash lease expense	1,500	-
(Increase)/decrease in:		
Grants receivable	(74,834)	232,743
Accounts receivable, net	(3,292)	(120,218)
Prepaid expenses	(4,003)	15,128
Increase/(decrease) in:		
Accounts payable and accrued liabilities	(338)	38,419
Deferred revenue and refundable advances	(25,620)	93,044
	<u>299,701</u>	<u>240,164</u>
<b>Cash flows from investing activities</b>		
Distributions from endowment, net	28,337	16,413
Purchase of equipment and software	(43,884)	(4,570)
	<u>(15,547)</u>	<u>11,843</u>
Net change in cash from investing activities		
Net change in cash	284,154	252,007
Cash and cash equivalents, beginning of year	811,494	559,487
	<u>811,494</u>	<u>559,487</u>
Cash and cash equivalents, end of year	<u>\$ 1,095,648</u>	<u>\$ 811,494</u>
<b>Supplemental disclosures:</b>		
Adoption of ASC 842 - right-of-use operating lease assets	\$ 296,297	\$ -
Adoption of ASC 842 - operating lease obligations	\$ 296,297	\$ -

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

# JEWISH FAMILY SERVICE OF GREATER HARTFORD, INC.

## Notes to Consolidated Financial Statements

June 30, 2023 and 2022

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### NOTE 1 – ORGANIZATION

Jewish Family Service of Greater Hartford, Inc. (the “Agency”) is a multi-service organization dedicated to helping individuals and families deal with adversity and life cycle transitions. Guided by the highest professional standards in counseling, advocacy and educational programming, the Agency’s mission is to enhance and strengthen quality of life through the Jewish tradition of caring and compassion. The Agency achieves its mission by helping individuals and families progress toward emotional well-being, self-reliance and more positive relationships. The Agency has been in existence since 1912. The Agency serves all people regardless of race, ethnicity, religion, national origin, disability, gender or sexual orientation.

Services include programs for persons with chronic needs and disabilities, family counseling, child counseling, older adult services, a Holocaust Survivor Program, and TANF (formerly called welfare to work) Case Management. The Agency also offers a kosher food pantry; the Jewish Employment Transitions Service (“JETS”), which addresses the needs of unemployed persons to develop new job seeking skills and secure new employment; and other case management programs. The Agency also provides bilingual counseling and other support to Russian speaking individuals.

The Agency is licensed by the State of Connecticut Department of Public Health as an Adult Outpatient Psychiatric Clinic and by the Department of Children and Families as an outpatient psychiatric clinic for children and teens up to age eighteen. The Agency is nationally accredited by the Council on Accreditation (“COA”) through July 31, 2027. The Agency is also an active member of the Connecticut Council of Family Service Agencies.

All operations of the Agency are overseen by a voluntary Board of Directors whose members are representative of the local community. The Agency receives funds from federal and state agencies and grants from community foundations. The Jewish Community Foundation and the Hartford Foundation for Public Giving are significant philanthropic funders. The Agency also receives contributions from individuals and family foundations. The Agency is further supported by federated giving through the Jewish Federation of Greater Hartford. Revenues from clients and private insurance as well as public insurance (Medicaid and Medicare) are additional sources of funding.

The consolidated financial statements of the Agency include JFS Care at Home, LLC (the “LLC”), formed in 2008. The LLC is a comprehensive companion and homemaker service for older adults who need assistance to remain in their homes, apartments or assisted living facilities. The Agency is the LLC’s sole member; the LLC’s Board of Managers includes the Agency’s Chief Executive Officer, Director of Clinical Services and the LLC’s Executive Director; and is responsible to the Agency’s Board of Directors. Intercompany transfers and balances between the Agency and the LLC have been eliminated in consolidation.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*Financial Statement Presentation* – Consistent with accounting principles generally accepted in the United States of America, the accompanying consolidated financial statements have been prepared on the accrual basis of accounting. The Agency reports information regarding its activities according to two classes of net assets:

*Net Assets without Donor Restrictions* – Net assets without donor restrictions are available resources other than donor-restricted contributions. These resources may be expended at the discretion of the Board of Directors. Board designated net assets represent reserves or special designations established by the Board of Directors.

*Net Assets with Donor Restrictions* – Net assets with donor restrictions represent contributions that are restricted by the donor as to purpose or time of expenditures and also include accumulated investment income and gains on donor-restricted endowment assets that have not been appropriated for expenditure.

Revenues are 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 investments and other assets or liabilities, if any, are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation 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 reclassifications between the applicable classes of net assets.

To ensure observance of limitations and restrictions placed on the use of resources available, the Agency classifies assets, liabilities and net assets in accordance with their respective program group. Accordingly, all financial transactions have been recorded and reported by program groups as follows:

Clinic	Holocaust Survivors
Community Programs	JFS Care at Home

*Fee Income* – Fee income is from performance obligations to provide counseling as well as homemaker and companion services. These services are recognized when performed, at which point the Agency deems the performance obligation to be satisfied. A significant portion of fee for service revenue is paid by government sponsored (Medicare and Medicaid) and private third-party payors. As a condition of accepting assignment and for the right to bill these third-party payors directly, the Agency must accept amounts lower than its established charges. Fee income is reported net of anticipated contractual rate adjustments for Medicare and Medicaid. The Agency determines transaction prices based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors and discounts provided to uninsured patients in accordance with the Agency’s policy. For patients not covered by Medicare or Medicaid, the Agency recognizes revenue on the basis of its standard charges. Based on historical experience, a significant portion of patients without full third-party payor coverage are unable or unwilling to pay their share of the charges. Accordingly, the Agency records any amount that is anticipated to be uncollected as bad debt expense.

The opening and closing balances of the Agency’s contract receivables, which are recognized within accounts receivable, net on the consolidated statements of financial position are as follows:

	<u>Accounts Receivable</u>
Balance, July 1, 2021	\$ 305,906
Balance, June 30, 2022	456,327
Balance, June 30, 2023	430,314

There were no contract liabilities as of July 1, 2021, June 30, 2022, or June 30, 2023.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grants and contributions, and Holocaust Survivors Grants – The Agency receives contributions to support operating activities. The Agency records contributions receivable when there is sufficient evidence in the form of verifiable documentation that an unconditional promise was received. As of June 30, 2023 and 2022, management determined all contributions receivable were collectible and no allowance deemed necessary. Any cash received in advance of earned grants are recorded as refundable advances. Conditional gifts, with a measurable performance or other barrier and right of return, are not recognized until the conditions on which they depend are substantially met or explicitly waived by the donor.

Cash and Cash Equivalents – Cash equivalents include all highly-liquid investments with original maturity dates of less than three months as well as certificates of deposits and money market funds with no maturity date. The Agency maintains its cash in bank accounts, which, at times, may exceed federally insured limits.

Investments – The Agency has a limited pool of funds that is currently managed by the Jewish Community Foundation of Greater Hartford, Inc. (“JCF”). The Budget & Finance Committee of the Board is charged with oversight/review of the fund investments. The actual investment strategy, management, purchases and sales of assets is delegated to the Investment Committee of JCF. The Agency follows an investment policy to meet its primary investment goals of preserving the long-term purchasing power of the Agency’s assets, while providing the maximum funding possible for the Agency’s overall operations.

Fair Value Measurement – The Agency follows the *Fair Value Measurements and Disclosures* topic of the FASB Accounting Standards Codification (FASB ASC 820), which defines fair value and establishes a framework for measuring fair value in accounting principle generally accepted in the United States of America. The topic defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The topic also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Three levels of inputs may be used to measure fair values:

- Level 1 – Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.
- Level 2 – Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 – Significant unobservable inputs that reflect the Agency’s own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Valuation techniques based on unobservable inputs are highly subjective and require judgments regarding significant matters such as the amount and timing of future cash flows and the selection of discount rates that may appropriately reflect market and credit risks. Changes in these judgments often have a material impact on the fair value estimates. In addition, since these estimates are as of a specific point in time, they are susceptible to material near-term changes.

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

Investments, which are held by JCF, are valued at the net asset value (“NAV”) reported by JCF, in accordance with FASB ASC 820.

The valuation methodology has not changed during the years ended June 30, 2023 and 2022.

Equipment, Software and Leasehold Improvements – Equipment, software and leasehold improvements are recorded at cost, less depreciation using the straight-line method over economic lives of five to seven years.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tax Status – The Agency qualifies for exempt status as a public charity under Section 501(c)(3) of the Internal Revenue Code. Under Section 501(c)(3), the Agency is generally exempt from federal and state income taxes. JFS Care At Home, LLC is considered a disregarded entity for tax purposes, and as such is included under the tax status of the Agency.

Functional Expense Allocation – The costs of providing program and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis and are based on time and effort. Expenses relating to occupancy are allocated based on square footage, and other expenses are allocated based upon time and effort of payroll.

Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Significant estimates include management’s estimate for the allowance for doubtful accounts and the estimate for depreciation expense. The allowance for doubtful accounts is based upon the collectability of the insurance billings and the depreciation expense is based upon the estimate of the useful lives being depreciated. For the years ended June 30, 2023 and 2022, the allowance for doubtful accounts was \$33,708 and \$46,233, respectively.

Leases - The Agency determines if an arrangement is a lease at inception. Lease right-of-use (“ROU”) assets represent the Agency’s right to use an underlying asset for the lease term and operating lease obligations represent the Agency’s obligation to make lease payments arising from the lease. Lease ROU assets and lease obligations are recognized at commencement date based on the present value of lease payments over the lease term. As the Agency’s leases do not provide an implicit rate, the Agency uses the risk free rate of return at the commencement date in determining the present value of lease payments. The lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Agency will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Agency has lease agreements with lease and non-lease components, which are generally accounted for separately.

Adoption of ASU No. 2016-02, Leases (Topic 842) - The amendments in this update require lessees to recognize, on the statement of financial position, assets and liabilities for the rights and obligations created by leases. The guidance was effective for the Agency on July 1, 2022. The adoption requires either a modified retrospective transition where the lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented, or a cumulative effect adjustment as of the date of adoption. The Agency adopted this new guidance on July 1, 2022, and as a result, the Agency recorded lease right-of-use assets and lease obligations of \$296,297 through a cumulative effect adjustment as of that date. In July 2018, the FASB issued ASU No. 2018-11, which provided a practical expedient package for lessees. The Agency elected to use the expedient package and did not reassess whether any existing contracts contain leases, the lease classification for existing leases, and initial direct costs for any existing leases. As a result, all leases are considered operating leases.

Reclassifications - Certain amounts in the 2022 financial statements have been reclassified to conform to current year presentation.

Subsequent Events Measurement Date – The Agency monitored and evaluated any subsequent events for footnote disclosures or adjustments required in its financial statements for the year June 30, 2023 through October 27, 2023, the date on which the consolidated financial statements were available to be issued.

### NOTE 3 – LIQUIDITY AND AVAILABILITY

The following represents the Agency’s financial assets available to meet general expenditures in the next twelve months at June 30,:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 1,095,648	\$ 811,494
Investments	695,343	674,765
Accounts receivable, net	413,386	410,094
Grants receivable, net	<u>266,091</u>	<u>191,257</u>
Total financial assets	2,470,468	2,087,610
Less donor restricted endowment	<u>(10,000)</u>	<u>(10,000)</u>
Financial assets available to meet general expenditures within twelve months	<u>\$ 2,460,468</u>	<u>\$ 2,077,610</u>

The Agency has the ability to transfer funds between the Agency and JFS Care at Home through intercompany due to/from accounts. The Agency maintains at least 90 days of liquid assets on hand to meet general operating expenditures.

### NOTE 4 – INVESTMENTS

Investments are held for the benefit of the Agency by JCF. The value represents the Agency’s share in the pooled investments at current market value as provided by JCF. The Agency has no control over how the funds are invested and sufficient notice must be given to JCF prior to requesting a distribution. The Agency receives statements on a quarterly basis from JCF, whose investments are mostly valued using Level 1 inputs. The Agency’s investment in JCF is valued at NAV.

The Agency follows the *Not-for-Profit Entities* topic of the FASB Accounting Standards Codification, (FASB ASC 958) which describes the information that needs to be disclosed regarding its endowment funds. The topic requires certain minimum disclosures that are the description of JCF’s spending policy, as well as its endowment investment policies. It also requires the following disclosures regarding the composition of the Agency’s endowment by net asset class and a reconciliation of the beginning and ending balance of the Agency’s endowment.

The reconciliation of the Agency’s investments held by JCF by net asset category is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Endowment</u>
Investments, July 1, 2021	\$ 786,444	\$ 10,000	\$ 796,444
Net depreciation	(105,266)	-	(105,266)
Interest and dividends, net	9,202	-	9,202
Appropriations for expenditure	<u>(25,615)</u>	<u>-</u>	<u>(25,615)</u>
Investments, June 30, 2022	664,765	10,000	674,765
Net appreciation	48,915	-	48,915
Interest and dividends, net	1,192	-	1,192
Appropriations for expenditure	<u>(29,529)</u>	<u>-</u>	<u>(29,529)</u>
Investments, June 30, 2023	<u>\$ 685,343</u>	<u>\$ 10,000</u>	<u>\$ 695,343</u>

**NOTE 5 – EQUIPMENT, SOFTWARE AND LEASEHOLD IMPROVEMENTS**

Equipment, software and leasehold improvements as of June 30, 2023 and 2022 include the following:

	<u>2023</u>	<u>2022</u>
Furniture and equipment	\$ 260,322	\$ 216,438
Software	50,880	50,880
Leasehold improvements	<u>18,527</u>	<u>18,527</u>
Total fixed assets	329,729	285,845
Less accumulated depreciation and amortization	<u>(265,406)</u>	<u>(246,589)</u>
Equipment, software and leasehold improvements, net	<u>\$ 64,323</u>	<u>\$ 39,256</u>

**NOTE 6 – DEFERRED REVENUE AND REFUNDABLE ADVANCES**

Jewish Family Services of Greater Hartford (“Agency”) takes part in a grant program with the Conference on Jewish Material Claims Against Germany, Inc. (“Claims Conference”). The Agency is a designated grantee of Claims Conference funding which redistributes Claims Conference funds to other agencies (“Sub-Agencies”) which provide essential social services to Holocaust survivors funded by said redistributed funds. Jewish Family Service of New Haven and Elayne and James Schoke Jewish Family Service of Fairfield County each agree to serve as a Sub-Agency. The Agency acts as the source of contact with the Claims Conference regarding the normal business of administering the program and providing services to Jewish Nazi victims. Further, the Agency writes grant applications for the Umbrella Group and is responsible for any other administrative processes required by the Claims Conference.

Because the Claims Conference requires qualifying expenses to be incurred and that any unspent funds be returned, the Agency accounts for the grants as conditional contributions and recognizes revenue when the donor conditions have been substantially met. Typically, the Agency will bill the Claims Conference in arrears for qualifying expenses that have been incurred, however cash advances were provided. As the conditions of the contribution had not been met, the balance was recorded as a refundable advance totaling \$77,424 and \$103,044 as of June 30, 2023 and 2022, respectively.

**NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS**

Changes in net assets with donor restrictions include the following for the year ended June 30, 2023:

	<u>June 30, 2022</u>	<u>Additions</u>	<u>Release of Restrictions</u>	<u>June 30, 2023</u>
Comprehensive Community Support	\$ 43,000	\$ 217,100	\$ (81,442)	\$ 178,658
Refugee Assistance	16,575	16,179	(24,904)	7,850
Food Pantry	27,901	55,952	(30,358)	53,495
Human Needs	7,999	147,903	(100,356)	55,546
JETS Program	5,000	-	(5,000)	-
Mental Health	-	90,499	(28,233)	62,266
Older Adult	5,020	67,491	(55,412)	17,099
Anne Danaher Needs Fund	30,907	100	-	31,007
Uniper	-	137,583	(58,791)	78,792
Other	<u>1,546</u>	<u>182,423</u>	<u>(104,959)</u>	<u>79,010</u>
Total	<u>\$ 137,948</u>	<u>\$ 915,230</u>	<u>\$ (489,455)</u>	<u>\$ 563,723</u>

**NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)**

Changes in net assets with donor restrictions include the following for the year ended June 30, 2022:

	<u>June 30, 2021</u>	<u>Additions</u>	<u>Release of Restrictions</u>	<u>June 30, 2022</u>
Comprehensive Community Support	\$ -	\$ 43,000	\$ -	\$ 43,000
Refugee Assistance	-	16,575	-	16,575
Food Pantry	39,650	26,670	(38,419)	27,901
Human Needs	24,999	8,000	(25,000)	7,999
JETS Program	10,000	5,000	(10,000)	5,000
Mental Health	17,525	-	(17,525)	-
Older Adult	7,122	-	(2,102)	5,020
Tara's Closet	42,106	-	(42,106)	-
Anne Danaher Needs Fund	30,907	-	-	30,907
Other	-	11,554	(10,008)	1,546
	<hr/>			
Total	\$ 172,309	\$ 110,799	\$ (145,160)	\$ 137,948
	<hr/>			

Net assets with donor restrictions represent resources with donor-imposed restrictions as to purpose or time of expenditure. Net assets with donor restrictions to be held in perpetuity total \$10,000 as of June 30, 2023 and 2022 and were comprised of the Suzanne Jo Morales Fund.

**NOTE 8 – CONTRIBUTED NONFINANCIAL ASSETS**

The following amounts of donated materials and services have been recorded in the statements of activities and changes in net assets for the years ended June 30,:

	<u>2023</u>	<u>2022</u>
Food	\$ 6,926	\$ 13,778
Mailing	9,966	12,334
Supplies	55,416	39,355
Services	58,333	10,000
Clothing	-	8,371
	<hr/>	
Total noncash assistance	\$ 130,641	\$ 83,838
	<hr/>	

Contributed food, supplies, mailing, and clothing are all valued at the estimated fair value on the basis of estimates of wholesale values that would be received for selling similar goods or services. These contributed nonfinancial assets are not restricted by the donors and the Agency does not intend to sell the donated gifts and intends to utilize them for program use.

The donated services are comprised of volunteer hours from individuals to provide support for the Agency's programs. Such services are valued and reported at the estimated fair value in the financial statements based on current rates for similar purchased services.



## NOTE 9 – POST-RETIREMENT EMPLOYEE BENEFIT PLAN

The Agency has a Section 403(b) Defined Contribution Retirement Plan covering substantially all of its employees. Employer contributions are discretionary. When the Agency makes a contribution, it matches the employee contributions on a dollar for dollar basis up to a maximum contribution of 4% based on each employee's years of service. All participants are fully vested once contributions have been made. For the years ended June 30, 2023 and 2022, the Agency did not make any discretionary contributions.

## NOTE 10 – LEASES

The Agency rents its office space in the Jewish Community Services Building from the Federation under the terms of a lease. Rental payments are approximately \$7,000 per month. The Agency pays rent and a proportionate share of taxes, maintenance and utilities. Certain office equipment is leased under agreements with terms through the year ending June 30, 2026.

Effective July 1, 2022, the Agency adopted ASU No. 2016-02, *Leases*, which requires the Agency to recognize right-of-use lease assets and lease obligations.

The right-of-use lease assets and lease obligations are as follows as of June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Right-of-use operating lease assets	<u>\$ 225,338</u>	<u>\$ -</u>
Operating lease obligations	<u>\$ 226,838</u>	<u>\$ -</u>

The following table summarizes the supplemental cash flow information for the years ended June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Operating cash flows from operating leases	<u>\$ 77,000</u>	<u>\$ 76,000</u>

The future minimum lease payments under non-cancelable operating leases with terms greater than one year are listed below for the years ending June 30,:

2024	\$ 78,000
2025	79,000
2026	<u>80,000</u>
Total lease payments	237,000
Less present value discount	<u>(10,162)</u>
Total lease obligations	<u>\$ 226,838</u>

Operating lease expense under the ASU was \$78,500 for the year ended June 30, 2023 with a weighted average discount rate for operating leases of 2.85% and weighted average remaining life of three years as of June 30, 2023.

#### **NOTE 11 – DESIGNATED FUNDS**

JCF holds various designated funds that identify the Agency as the beneficiary of the income generated from these funds. These funds are owned and controlled by JCF, which has variance power, and therefore, the funds are not included in the Agency's consolidated financial statements. Distributions to the Agency, which are recognized as contribution income when received, totaled \$43,066 and \$39,341 for the years ended June 30, 2023 and 2022, respectively. The fair value of these designated funds was \$1,083,601 and \$1,030,063 at June 30, 2023 and 2022, respectively.

#### **NOTE 12 – CONTINGENCIES**

From time to time the Agency is involved in litigation arising from its normal operating practices. Management is not aware of any pending matters that would materially affect the financial position of the Agency.

#### **NOTE 13 – RELATED PARTY TRANSACTIONS**

Several trustees of the Agency are also trustees of the Jewish Federation of Greater Hartford (the "Federation"). The Federation provided approximately 3% and 4% of the Agency's total revenues for the years ended June 30, 2023 and 2022, respectively. The Agency also rents office space from the Federation. Rental payments remitted to the Federation was \$77,000 and \$76,000 for the years June 30, 2023 and 2022, respectively. Amounts payable to the Federation at June 30, 2023 and 2022 for rent were \$-0- and \$6,978, respectively.

Several trustees of the Agency are also trustees of JCF. As discussed in Note 4, Agency funds of \$695,343 and \$674,765 as of June 30, 2023 and 2022, respectively, were held by JCF. The Agency paid investment fees to JCF totaling \$6,743 and \$7,800 for the years ended June 30, 2023 and 2022, respectively. In addition, JCF holds designated funds subject to the variance power of JCF trustees as discussed in Note 11.

## **SUPPLEMENTAL INFORMATION**

# JEWISH FAMILY SERVICE OF GREATER HARTFORD, INC.

## Consolidating Schedule of Financial Position

June 30, 2023

	<u>Jewish Family Service of Greater Hartford, Inc.</u>	<u>JFS Care At Home, LLC</u>	<u>Eliminating Entries</u>	<u>Consolidated Total</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 706,415	\$ 389,233	\$ -	\$ 1,095,648
Grants receivable	266,091	-	-	266,091
Accounts receivable, net	50,964	362,422	-	413,386
Due from affiliate	-	54,487	(54,487)	-
Prepaid expenses	28,838	39,163	-	68,001
Investments	695,343	-	-	695,343
Right-of-use operating lease assets	225,338	-	-	225,338
Equipment, software and leasehold improvements (net of accumulated depreciation of \$265,406)	51,390	12,933	-	64,323
Total assets	<u>\$ 2,024,379</u>	<u>\$ 858,238</u>	<u>\$ (54,487)</u>	<u>\$ 2,828,130</u>
<b>Liabilities and Net Assets</b>				
<b>Liabilities</b>				
Accounts payable and accrued liabilities	\$ 234,301	\$ 57,084	\$ -	\$ 291,385
Deferred revenue and refundable advances	77,424	-	-	77,424
Due to affiliate	54,487	-	(54,487)	-
Operating lease obligations	226,838	-	-	226,838
Total liabilities	<u>593,050</u>	<u>57,084</u>	<u>(54,487)</u>	<u>595,647</u>
<b>Net Assets</b>				
Net assets without donor restrictions	867,606	801,154	-	1,668,760
Net assets with donor restrictions	563,723	-	-	563,723
Total net assets	<u>1,431,329</u>	<u>801,154</u>	<u>-</u>	<u>2,232,483</u>
Total liabilities and net assets	<u>\$ 2,024,379</u>	<u>\$ 858,238</u>	<u>\$ (54,487)</u>	<u>\$ 2,828,130</u>

# JEWISH FAMILY SERVICE OF GREATER HARTFORD, INC.

## Consolidating Schedule of Financial Position

June 30, 2022

	<u>Jewish Family Service of Greater Hartford, Inc.</u>	<u>JFS Care At Home, LLC</u>	<u>Eliminating Entries</u>	<u>Consolidated Total</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 324,247	\$ 487,247	\$ -	\$ 811,494
Grants receivable	191,257	-	-	191,257
Accounts receivable, net	52,294	357,800	-	410,094
Due from affiliate	-	112,890	(112,890)	-
Prepaid expenses	30,556	33,442	-	63,998
Investments	674,765	-	-	674,765
Equipment, software and leasehold improvements (net of accumulated depreciation of \$246,589)	39,256	-	-	39,256
Total assets	<u>\$ 1,312,375</u>	<u>\$ 991,379</u>	<u>\$ (112,890)</u>	<u>\$ 2,190,864</u>
<b>Liabilities and Net Assets</b>				
Liabilities				
Accounts payable and accrued liabilities	\$ 180,280	\$ 111,443	\$ -	\$ 291,723
Deferred revenue and refundable advances	103,044	-	-	103,044
Due to affiliate	112,890	-	(112,890)	-
Total liabilities	<u>396,214</u>	<u>111,443</u>	<u>(112,890)</u>	<u>394,767</u>
Net Assets				
Net assets without donor restrictions	778,213	879,936	-	1,658,149
Net assets with donor restrictions	137,948	-	-	137,948
Total net assets	<u>916,161</u>	<u>879,936</u>	<u>-</u>	<u>1,796,097</u>
Total liabilities and net assets	<u>\$ 1,312,375</u>	<u>\$ 991,379</u>	<u>\$ (112,890)</u>	<u>\$ 2,190,864</u>

# JEWISH FAMILY SERVICE OF GREATER HARTFORD, INC.

## Consolidating Schedule of Activities

For the year ended June 30, 2023

	Jewish Family Service of Greater Hartford, Inc.	JFS Care At Home, LLC	Eliminating Entries	Consolidated Total
<b>Revenues and support</b>				
Grants and contributions	\$ 2,011,047	\$ -	\$ -	\$ 2,011,047
Contributed nonfinancial assets	130,641	-	-	130,641
Holocaust Survivors Grants	1,379,718	-	-	1,379,718
Fee income, net	498,691	4,168,105	-	4,666,796
Other income	19	2,343	-	2,362
<b>Total revenues and support</b>	<b>4,020,116</b>	<b>4,170,448</b>	<b>-</b>	<b>8,190,564</b>
<b>Expenses</b>				
Salaries	1,826,170	2,913,834	-	4,740,004
Payroll taxes	130,332	246,074	-	376,406
Employee benefits	136,789	103,937	-	240,726
Assistance	1,519,811	36,877	-	1,556,688
Insurance	43,163	46,686	-	89,849
Public relations	9,523	7,411	-	16,934
Office expenses	135,775	36,549	-	172,324
Depreciation and amortization	18,598	219	-	18,817
Travel and conferences	38,483	6,267	-	44,750
Rent	77,937	18,814	-	96,751
Telephone	29,668	7,945	-	37,613
Dues and subscriptions	33,064	14,641	-	47,705
Professional fees	298,369	59,976	-	358,345
Fundraising	14,420	-	-	14,420
<b>Total expenses</b>	<b>4,312,102</b>	<b>3,499,230</b>	<b>-</b>	<b>7,811,332</b>
Changes in net assets from operations	(291,986)	671,218	-	379,232
Non-operating activities				
Investment income, net	57,154	-	-	57,154
Intercompany distributions	750,000	(750,000)	-	-
Changes in net assets	515,168	(78,782)	-	436,386
Net assets, beginning	916,161	879,936	-	1,796,097
Net assets, ending	<b>\$ 1,431,329</b>	<b>\$ 801,154</b>	<b>\$ -</b>	<b>\$ 2,232,483</b>

# JEWISH FAMILY SERVICE OF GREATER HARTFORD, INC.

## Consolidating Schedule of Activities

For the year ended June 30, 2022

	Jewish Family Service of Greater Hartford, Inc.	JFS Care At Home, LLC	Eliminating Entries	Consolidated Total
<b>Revenues and support</b>				
Grants and contributions	\$ 1,514,073	\$ -	\$ -	\$ 1,514,073
Contributed nonfinancial assets	83,838	-	-	83,838
Holocaust Survivors Grants	878,826	-	-	878,826
Fee income, net	504,064	3,948,896	-	4,452,960
Other income	107	99	-	206
	<u>2,980,908</u>	<u>3,948,995</u>	<u>-</u>	<u>6,929,903</u>
<b>Expenses</b>				
Salaries	1,722,445	3,053,267	-	4,775,712
Payroll taxes	127,422	265,756	-	393,178
Employee benefits	127,424	71,119	-	198,543
Assistance	887,411	11,073	-	898,484
Insurance	28,340	31,118	-	59,458
Public relations	9,070	14,586	-	23,656
Office expenses	118,054	41,481	-	159,535
Depreciation and amortization	29,637	-	-	29,637
Travel and conferences	37,385	5,081	-	42,466
Rent	76,740	18,924	-	95,664
Telephone	15,522	7,711	-	23,233
Dues and subscriptions	14,824	10,360	-	25,184
Professional fees	210,581	19,234	-	229,815
Fundraising	2,926	-	-	2,926
Bad debt	29,203	1,000	-	30,203
	<u>3,436,984</u>	<u>3,550,710</u>	<u>-</u>	<u>6,987,694</u>
Changes in net assets from operations	<u>(456,076)</u>	<u>398,285</u>	<u>-</u>	<u>(57,791)</u>
<b>Non-operating activities</b>				
Investment loss, net	<u>(96,064)</u>	<u>-</u>	<u>-</u>	<u>(96,064)</u>
Changes in net assets	(552,140)	398,285	-	(153,855)
Net assets, beginning	<u>1,468,301</u>	<u>481,651</u>	<u>-</u>	<u>1,949,952</u>
Net assets, ending	<u>\$ 916,161</u>	<u>\$ 879,936</u>	<u>\$ -</u>	<u>\$ 1,796,097</u>

**Headquarters**

280 Trumbull Street, 24th Floor  
Hartford, CT 06103  
860.522.3111

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One Hamden Center  
2319 Whitney Avenue, Suite 2A  
Hamden, CT 06518  
203.397.2525

14 Bobala Road, 3rd Floor  
Holyoke, MA 01040  
413.536.3970

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