

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

Independent Auditors' Report
Consolidated Financial Statements

June 30, 2022 and 2021



ASSURANCE | ADVISORY | TAX | TECHNOLOGY

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 "Organization") (a nonprofit organization), which comprise the consolidated statements of financial position as of June 30, 2022 and 2021 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 Organization as of June 30, 2022 and 2021 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 Organization 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.

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 Organization'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.

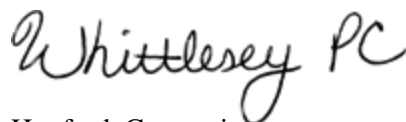
In performing an audit in accordance with generally accepted auditing standards, we:

- 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 Organization'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 Organization'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 consolidating schedules of 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
January 3, 2023

JEWISH FAMILY SERVICE OF GREATER HARTFORD, INC.

Consolidated Statements of Financial Position

June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Cash and cash equivalents	\$ 811,494	\$ 559,487
Grants receivable	191,257	424,000
Accounts receivable, net	410,094	289,876
Prepaid expenses	63,998	79,126
Investments	674,765	796,444
Equipment, software and leasehold improvements, net	<u>39,256</u>	<u>64,323</u>
 Total assets	 <u>\$ 2,190,864</u>	 <u>\$ 2,213,256</u>
 Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued liabilities	\$ 291,723	\$ 253,304
Deferred revenue and refundable advances	<u>103,044</u>	<u>10,000</u>
 Total liabilities	 <u>394,767</u>	 <u>263,304</u>
 Net Assets		
Net assets without donor restrictions	1,658,149	1,777,643
Net assets with donor restrictions	<u>137,948</u>	<u>172,309</u>
 Total net assets	 <u>1,796,097</u>	 <u>1,949,952</u>
 Total liabilities and net assets	 <u>\$ 2,190,864</u>	 <u>\$ 2,213,256</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
Revenues and support			
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>
Expenses			
Program:			
Chronic Needs	96,129	-	96,129
Family Counseling	314,085	-	314,085
Child Clinic	304,789	-	304,789
Older Adult	361,604	-	361,604
Holocaust Survivors	877,900	-	877,900
TANF Case Management	73,019	-	73,019
Other Programs	517,987	-	517,987
JFS Care at Home	3,413,838	-	3,413,838
Total program expenses	5,959,351	-	5,959,351
General and administrative	615,402	-	615,402
Fundraising	412,941	-	412,941
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 Activities and Changes in Net Assets

For the year ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and support			
Grants and contributions	\$ 1,215,042	\$ 255,387	\$ 1,470,429
Contributed nonfinancial assets	10,455	-	10,455
Holocaust Survivors Grants	634,168	-	634,168
Fee income, net	3,437,737	-	3,437,737
Other income	16,795	-	16,795
Net assets released due to satisfaction of restrictions	285,638	(285,638)	-
Total revenues and support	5,599,835	(30,251)	5,569,584
Expenses			
Program:			
Chronic Needs	119,893	-	119,893
Family Counseling	305,906	-	305,906
Child Clinic	371,625	-	371,625
Older Adult	401,728	-	401,728
Holocaust Survivors	661,496	-	661,496
TANF Case Management	76,153	-	76,153
Other Programs	459,673	-	459,673
JFS Care at Home	2,787,461	-	2,787,461
Total program expenses	5,183,935	-	5,183,935
General and administrative	565,768	-	565,768
Fundraising	185,333	-	185,333
Total expenses	5,935,036	-	5,935,036
Changes in net assets from operations	(335,201)	(30,251)	(365,452)
Non-operating activities			
Forgiveness of debt -			
Paycheck Protection Program	600,447	-	600,447
Investment income, net	201,056	-	201,056
Total non-operating activities	801,503	-	801,503
Change in net assets	466,302	(30,251)	436,051
Net assets, beginning	1,311,341	202,560	1,513,901
Net assets, ending	\$ 1,777,643	\$ 172,309	\$ 1,949,952

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

JEWISH FAMILY SERVICE OF GREATER HARTFORD, INC.

Consolidated Statements of Functional Expenses

For the years ended June 30, 2022 and 2021

2022

	Program								Total Program	General and Administrative	Fundraising	Total
	Chronic Needs	Family Counseling	Child Clinic	Older Adult	Holocaust Survivors	TANF Case Management	Other Programs	JFS Care At Home				
Salaries	\$ 64,473	\$ 217,168	\$ 233,475	\$ 282,370	\$ 96,894	\$ 51,826	\$ 170,996	\$ 2,896,128	\$ 4,013,330	\$ 442,401	\$ 319,981	\$ 4,775,712
Payroll taxes	5,308	17,879	19,222	23,247	7,977	4,267	14,078	238,434	330,412	36,422	26,344	393,178
Employee benefits	2,756	9,283	9,980	12,071	4,142	2,215	7,310	123,801	171,558	18,911	13,679	204,148
Assistance	-	3,994	1,768	150	714,463	1,107	165,929	11,073	898,484	-	-	898,484
Insurance	784	2,519	2,390	2,416	630	398	17,468	31,118	57,723	1,208	527	59,458
Public relations	-	283	609	261	-	-	2,926	16,418	20,497	2,200	7,505	30,202
Office expenses	1,497	3,815	3,127	3,492	7,625	1,054	10,571	46,762	77,943	16,709	24,479	119,131
Depreciation and amortization	2,384	2,384	2,384	2,384	2,384	-	17,717	-	29,637	-	-	29,637
Travel and conferences	-	395	448	639	8,787	414	16,316	5,081	32,080	10,386	-	42,466
Rent	3,071	6,818	7,146	9,546	6,131	3,238	27,396	18,924	82,270	7,556	5,838	95,664
Telephone	1,522	1,467	1,479	1,479	1,030	906	4,779	7,711	20,373	1,800	430	22,603
Dues and subscriptions	-	-	-	-	700	4,473	9,563	10,360	25,096	718	-	25,814
Professional fees	14,334	18,877	22,761	23,549	27,137	3,121	52,938	7,028	169,745	77,091	14,158	260,994
Bad debt	-	29,203	-	-	-	-	-	1,000	30,203	-	-	30,203
Total expenses	\$ 96,129	\$ 314,085	\$ 304,789	\$ 361,604	\$ 877,900	\$ 73,019	\$ 517,987	\$ 3,413,838	\$ 5,959,351	\$ 615,402	\$ 412,941	\$ 6,987,694

2021

	Program								Total Program	General and Administrative	Fundraising	Total
	Chronic Needs	Family Counseling	Child Clinic	Older Adult	Holocaust Survivors	TANF Case Management	Other Programs	JFS Care At Home				
Salaries	\$ 65,620	\$ 204,410	\$ 302,697	\$ 323,791	\$ 88,712	\$ 46,209	\$ 184,545	\$ 2,328,346	\$ 3,544,330	\$ 438,294	\$ 132,488	\$ 4,115,112
Payroll taxes	5,257	19,276	24,888	22,811	10,710	4,154	14,556	221,049	322,701	8,266	10,182	341,149
Employee benefits	12,651	21,087	7,881	9,234	15,878	10,175	13,339	61,369	151,614	18,032	9,555	179,201
Assistance	30	2,704	4,000	3,051	529,636	291	129,950	7,648	677,310	-	-	677,310
Insurance	641	2,058	1,953	1,974	515	347	1,533	30,598	39,619	1,112	431	41,162
Public relations	-	-	-	-	-	-	28,028	21,308	49,336	3,575	5,665	58,576
Office expenses	1,064	2,874	2,469	2,731	2,309	1,201	7,229	48,622	68,499	22,807	9,810	101,116
Depreciation and amortization	3,958	5,470	-	-	1,511	765	5,701	1,595	19,000	-	950	19,950
Travel and conferences	34	418	111	105	295	352	187	3,192	4,694	864	76	5,634
Rent	14,561	5,822	4,835	13,563	5,811	4,241	13,892	10,111	72,836	26,639	2,156	101,631
Telephone	525	3,826	775	924	278	1,362	1,565	8,185	17,440	3,510	1,323	22,273
Dues and subscriptions	507	1,630	1,742	1,564	768	4,399	5,192	11,569	27,371	2,519	59	29,949
Professional fees	15,045	21,299	20,274	21,980	5,073	2,657	53,956	20,952	161,236	40,150	12,638	214,024
Bad debt	-	15,032	-	-	-	-	-	12,917	27,949	-	-	27,949
Total expenses	\$ 119,893	\$ 305,906	\$ 371,625	\$ 401,728	\$ 661,496	\$ 76,153	\$ 459,673	\$ 2,787,461	\$ 5,183,935	\$ 565,768	\$ 185,333	\$ 5,935,036

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, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Change in net assets	\$ (153,855)	\$ 436,051
Adjustments to reconcile change in net assets to net change in cash from operating activities		
Depreciation and amortization	29,637	19,950
Unrealized (gain)/loss on investments, net	141,876	(164,136)
Realized gain on investments, net	(36,610)	(38,396)
Forgiveness of debt - Paycheck Protection Program	-	(600,447)
(Increase)/decrease in:		
Grants receivable	232,743	(335,479)
Accounts receivable, net	(120,218)	39,817
Prepaid expenses	15,128	(1,881)
Increase/(decrease) in:		
Accounts payable and accrued liabilities	38,419	(10,085)
Deferred revenue and refundable advances	93,044	(465,970)
Net change in cash from operating activities	<u>240,164</u>	<u>(1,120,576)</u>
Cash flows from investing activities		
Distributions from endowment, net	16,413	23,468
Purchase of equipment and software	(4,570)	(33,993)
Net change in cash from investing activities	<u>11,843</u>	<u>(10,525)</u>
Net change in cash	252,007	(1,131,101)
Cash and cash equivalents, beginning of year	<u>559,487</u>	<u>1,690,588</u>
Cash and cash equivalents, end of year	<u>\$ 811,494</u>	<u>\$ 559,487</u>

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, 2022 and 2021

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 2023. 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:

Chronic Needs	Holocaust Survivors
Family Counseling	TANF Case Management
Child Clinic	Other Programs
Older Adult	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.

Public Support, Community Foundations and Other Private Grants, and Federal and State 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, 2022 and 2021, 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. The Agency maintains its cash in bank accounts, which, at times, may exceed federally insured limits.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2022 and 2021.

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.

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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2022 and 2021, the allowance for doubtful accounts was \$46,233 and \$16,030, respectively.

Reclassifications - Certain amounts in the 2021 financial statements have been reclassified to conform to current year presentation.

Adoption of New Accounting Pronouncement - FASB Accounting Standards Update (ASU) No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, requires not-for-profits to present contributed nonfinancial assets as a separate line item in the statement of activities and changes in net assets and provide additional disclosures about contributions of nonfinancial assets. Contributed nonfinancial assets, commonly referred to as gifts-in-kind, include fixed assets (such as land, buildings, and equipment), use of fixed assets or utilities, materials and supplies, intangible assets, services, and unconditional promises of those assets. The Agency implemented ASU 2020-07 on July 1, 2020 using a full retrospective method of application. The adoption of ASU 2020-07 resulted in changes to the presentation and disclosure of contributed nonfinancial assets.

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, 2022 through January 3, 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,:

	2022	2021
Cash and cash equivalents	\$ 811,494	\$ 559,487
Investments	674,765	796,444
Accounts receivable, net	410,094	289,876
Grants receivable, net	191,257	424,000
Total financial assets	2,087,610	2,069,807
Less donor restricted endowment	(10,000)	(10,000)
Financial assets available to meet general expenditures within twelve months	<u>\$ 2,077,610</u>	<u>\$ 2,059,807</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:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment
Investments, July 1, 2020	\$ 607,380	\$ 10,000	\$ 617,380
Net appreciation	202,532	-	202,532
Interest and dividends	4,656	-	4,656
Investment expense	(6,132)	-	(6,132)
Appropriations for expenditure	(21,992)	-	(21,992)
Investments, June 30, 2021	786,444	10,000	796,444
Net depreciation	(105,266)	-	(105,266)
Interest and dividends	17,002	-	17,002
Investment expense	(7,800)	-	(7,800)
Appropriations for expenditure	(25,615)	-	(25,615)
Investments, June 30, 2022	<u>\$ 664,765</u>	<u>\$ 10,000</u>	<u>\$ 674,765</u>

NOTE 5 – EQUIPMENT, SOFTWARE AND LEASEHOLD IMPROVEMENTS

Equipment, software and leasehold improvements as of June 30, 2022 and 2021 include the following:

	2022	2021
Furniture and equipment	\$ 216,438	\$ 216,438
Software	50,880	50,880
Leasehold improvements	18,527	13,957
Total fixed assets	285,845	281,275
Less accumulated depreciation and amortization	(246,589)	(216,952)
Equipment, software and leasehold improvements, net	<u>\$ 39,256</u>	<u>\$ 64,323</u>

NOTE 6 – NOTES PAYABLE - PAYCHECK PROTECTION PROGRAM

The Agency received approval for two Small Business Administration (“SBA”) Paycheck Protection Program (“PPP”) loans in the amounts of \$354,207 and \$246,240 for the Agency and the LLC, respectively. Under the PPP, funds are forgivable if utilized for qualified expenditures according to the program criteria incurred over a period of eight to twenty-four weeks following the date of funding. In order to qualify for forgiveness, at least 60% of the funding must be spent on eligible payroll expenses, and up to 40% may be spent on other eligible expenses, such as rent and utilities. As outlined by the SBA, any unforgiven balance must be repaid over two years at an annual interest rate of 1% with an initial deferment period of ten months from the end of the covered period (interest will accrue). The Agency and the LLC used the funds for qualifying expenses for the year ending June 30, 2021, applied for forgiveness during the year ended June 30, 2021, and received full forgiveness of the loans on July 8, 2021. Accordingly, the full amounts are included as forgiveness of debt in the accompanying statement of activities and changes in net assets for the year ended June 30, 2021.

NOTE 7 – DEFERRED REVENUE AND REFUNDABLE ADVANCES

The Agency takes part in a grant program with the Conference on Jewish Material Claims Against Germany, Inc. (“Claims Conference”) as the lead agency under an umbrella agreement that includes JFS New Haven as a sub-agency. The Agency is an intermediary for JFS New Haven therefore any funds received by the Claims Conference on behalf of JFS New Haven are recorded as liabilities until remitted to the specified beneficiary. 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 due to the COVID-19 pandemic a cash advance was provided for both the Agency and JFS New Haven. As the conditions of the contribution had not been met, the balance was recorded as a refundable advance totaling \$103,044 as of June 30, 2022. There was no refundable advance to the Claims Conference as of June 30, 2021.

NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS

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 for the years ended June 30, 2022 and 2021 and were comprised of the Suzanne Jo Morales Fund.

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

	<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
	<u>-</u>	<u>11,554</u>	<u>(10,008)</u>	<u>1,546</u>
Total	<u>\$ 172,309</u>	<u>\$ 110,799</u>	<u>\$ (145,160)</u>	<u>\$ 137,948</u>

NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

	<u>June 30, 2020</u>	<u>Additions</u>	<u>Release of Restrictions</u>	<u>June 30, 2021</u>
Child Clinic	\$ 5,930	\$ 13,348	\$ (19,278)	\$ -
Chronic Needs	-	6,439	(6,439)	-
Family Clinic	2,250	-	(2,250)	-
Food Pantry	9,700	56,522	(26,572)	39,650
Human Needs	14,000	58,603	(47,604)	24,999
JETS Program	11,000	20,000	(21,000)	10,000
Mental Health	-	17,525	-	17,525
Older Adult	9,180	48,515	(50,573)	7,122
Tara's Closet	150,500	3,528	(111,922)	42,106
Anne Danaher Needs Fund	-	30,907	-	30,907
	<hr/>			
Total	<u>\$ 202,560</u>	<u>\$ 255,387</u>	<u>\$ (285,638)</u>	<u>\$ 172,309</u>

NOTE 9 – 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>2022</u>	<u>2021</u>
Food	\$ 13,778	\$ 6,771
Mailing	12,334	3,278
Supplies	39,355	-
Services	10,000	-
Clothing	8,371	406
	<hr/>	
Total noncash assistance	<u>\$ 83,838</u>	<u>\$ 10,455</u>

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 10 – 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, 2022 and 2021, the Agency made a discretionary contribution of \$-0- and \$29,435, respectively.

NOTE 11 – LEASES

The Agency rents its office space in the Jewish Community Services Building from the Federation under the terms of a lease, which is on a month-to-month basis. 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 fiscal year ending June 30, 2028.

The rental expense for the years ended June 30, 2022 and 2021 was \$95,664 and \$101,631, respectively. Future minimum rental commitments under non-cancelable operating leases are as follows for the years ending June 30,:

2023	\$	1,454
2024		1,454
2025		1,454
2026		1,454
2027		1,454
Thereafter		<u>364</u>
	\$	<u><u>7,634</u></u>

NOTE 12 – 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 \$39,341 and \$52,398 for the years ended June 30, 2022 and 2021, respectively. The fair value of these designated funds was \$1,030,063 and \$1,233,145 at June 30, 2022 and 2021, respectively.

NOTE 13 – 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 14 – RELATED PARTY TRANSACTIONS

Several trustees of the Agency are also trustees of the Jewish Federation of Greater Hartford (the "Federation"). The Federation provided approximately 4% and 5% of the Agency's total revenues for the years ended June 30, 2022 and 2021, respectively. The Agency also rents office space from the Federation. Rental expense paid to the Federation was \$95,664 and \$101,631 for the years June 30, 2022 and 2021, respectively. Amounts payable to the Federation at June 30, 2022 and 2021 for rent were \$6,978 and \$5,114, respectively.

Several trustees of the Agency are also trustees of JCF. As discussed in Note 4, Agency funds of \$674,765 and \$796,444 as of June 30, 2022 and 2021, respectively, were held by JCF. The Agency paid investment fees to JCF totaling \$7,800 and \$6,132 for the years ended June 30, 2022 and 2021, respectively. In addition, JCF holds designated funds subject to the variance power of JCF trustees as discussed in Note 12.

NOTE 15 – RISKS AND UNCERTAINTIES

The Agency continues to monitor the evolution of novel coronavirus (“COVID-19”), though the direct threats have decreased significantly over the past couple of years. The Agency has concerns about the labor market, specifically related to recruiting qualified social workers and caregivers. To be competitive in the labor market, the Agency may put a financial burden on the programs that cannot be recouped through insurance reimbursement or private pay for services rendered. Furthermore, there is the risk of a recession occurring in 2023 and 2024, as some economists are predicting, which could unfavorably impact the Agency revenue, especially related to donations and grants.

SUPPLEMENTAL INFORMATION

JEWISH FAMILY SERVICE OF GREATER HARTFORD, INC.

Consolidating Schedule of Financial Position

June 30, 2022

	Jewish Family Service of Greater Hartford, Inc.	JFS Care At Home, LLC	Eliminating Entries	Consolidated Total
Assets				
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>
Liabilities and Net Assets				
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 Financial Position

June 30, 2021

	Jewish Family Service of Greater Hartford, Inc.	JFS Care At Home, LLC	Eliminating Entries	Consolidated Total
Assets				
Cash and cash equivalents	\$ 171,806	\$ 387,681	\$ -	\$ 559,487
Grants receivable	424,000	-	-	424,000
Accounts receivable, net	52,108	237,768	-	289,876
Due from affiliate	99,178	-	(99,178)	-
Prepaid expenses	53,134	25,992	-	79,126
Investments	796,444	-	-	796,444
Equipment, software and leasehold improvements (net of accumulated depreciation of \$216,952)	64,323	-	-	64,323
Total assets	<u>\$ 1,660,993</u>	<u>\$ 651,441</u>	<u>\$ (99,178)</u>	<u>\$ 2,213,256</u>
Liabilities and Net Assets				
Liabilities				
Accounts payable and accrued liabilities	\$ 182,692	\$ 70,612	\$ -	\$ 253,304
Deferred revenue and refundable advances	10,000	-	-	10,000
Due to affiliate	-	99,178	(99,178)	-
Total liabilities	<u>192,692</u>	<u>169,790</u>	<u>(99,178)</u>	<u>263,304</u>
Net Assets				
Net assets without donor restrictions	1,295,992	481,651	-	1,777,643
Net assets with donor restrictions	172,309	-	-	172,309
Total net assets	<u>1,468,301</u>	<u>481,651</u>	<u>-</u>	<u>1,949,952</u>
Total liabilities and net assets	<u>\$ 1,660,993</u>	<u>\$ 651,441</u>	<u>\$ (99,178)</u>	<u>\$ 2,213,256</u>

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
Revenues and support				
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
Total revenue and support	<u>2,980,908</u>	<u>3,948,995</u>	<u>-</u>	<u>6,929,903</u>
Expenses				
Salaries	1,722,445	3,053,267	-	4,775,712
Payroll taxes	127,422	265,756	-	393,178
Employee benefits	127,936	76,212	-	204,148
Assistance	887,411	11,073	-	898,484
Insurance	28,340	31,118	-	59,458
Public relations	13,784	16,418	-	30,202
Office expenses	72,369	46,762	-	119,131
Depreciation and amortization	29,637	-	-	29,637
Travel and conferences	37,385	5,081	-	42,466
Rent	76,740	18,924	-	95,664
Telephone	14,892	7,711	-	22,603
Dues and subscriptions	15,454	10,360	-	25,814
Professional fees	253,966	7,028	-	260,994
Bad debt	29,203	1,000	-	30,203
Total expenses	<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>
Non-operating activities				
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>

JEWISH FAMILY SERVICE OF GREATER HARTFORD, INC.

Consolidating Schedule of Activities

For the year ended June 30, 2021

	Jewish Family Service of Greater Hartford, Inc.	JFS Care At Home, LLC	Eliminating Entries	Consolidated Total
Revenues and support				
Grants and contributions	\$ 1,470,429	\$ -	\$ -	\$ 1,470,429
Contributed nonfinancial assets	10,455	-	-	10,455
Holocaust Survivors Grants	634,168	-	-	634,168
Fee income, net	515,613	2,922,124	-	3,437,737
Other income	16,749	46	-	16,795
	<u>2,647,414</u>	<u>2,922,170</u>	<u>-</u>	<u>5,569,584</u>
Expenses				
Salaries	1,649,382	2,465,730	-	4,115,112
Payroll taxes	120,100	221,049	-	341,149
Employee benefits	117,832	61,369	-	179,201
Assistance	669,662	7,648	-	677,310
Insurance	10,564	30,598	-	41,162
Public relations	37,268	21,308	-	58,576
Office expenses	52,494	48,622	-	101,116
Depreciation and amortization	18,355	1,595	-	19,950
Travel and conferences	2,442	3,192	-	5,634
Rent	91,520	10,111	-	101,631
Telephone	14,088	8,185	-	22,273
Dues and subscriptions	18,380	11,569	-	29,949
Professional fees	193,072	20,952	-	214,024
Bad debt	15,032	12,917	-	27,949
	<u>3,010,191</u>	<u>2,924,845</u>	<u>-</u>	<u>5,935,036</u>
Changes in net assets from operations	<u>(362,777)</u>	<u>(2,675)</u>	<u>-</u>	<u>(365,452)</u>
Non-operating activities				
Forgiveness of debt -				
Paycheck Protection Program	354,207	246,240	-	600,447
Investment income, net	201,056	-	-	201,056
	<u>555,263</u>	<u>246,240</u>	<u>-</u>	<u>801,503</u>
Changes in net assets	192,486	243,565	-	436,051
Net assets, beginning	<u>1,275,815</u>	<u>238,086</u>	<u>-</u>	<u>1,513,901</u>
Net assets, ending	<u>\$ 1,468,301</u>	<u>\$ 481,651</u>	<u>\$ -</u>	<u>\$ 1,949,952</u>

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