




Jewish Community Council of Greater Coney Island Inc.

Independent Auditor's Report and Financial Statements

June 30, 2023 and 2022



Jewish Community Council of Greater Coney Island Inc.
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June 30, 2023 and 2022

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Independent Auditor's Report

Board of Directors
Jewish Community Council of Greater Coney Island Inc.
Brooklyn, New York

Opinion

We have audited the financial statements of Jewish Community Council of Greater Coney Island Inc., which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Jewish Community Council of Greater Coney Island Inc. 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Jewish Community Council of Greater Coney Island Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 5 to the financial statements, in 2023, Jewish Community Council of Greater Coney Island Inc. adopted new accounting guidance for leases. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS, 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 Jewish Community Council of Greater Coney Island Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Jewish Community Council of Greater Coney Island Inc.'s ability to continue as a going concern for a reasonable period of time.

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

FORVIS,LLP

New York, New York
February 13, 2024

Jewish Community Council of Greater Coney Island Inc.
Statements of Financial Position
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Current Assets		
Cash	\$ 6,155,720	\$ 5,541,592
Cash, board-designated	79,871	79,863
Investment, FJC Agency Loan Fund	890,021	855,911
Grants receivable	13,616,229	12,348,530
Prepaid and other current assets	306,694	885,840
	<u>21,048,535</u>	<u>19,711,736</u>
Total current assets	21,048,535	19,711,736
Insurance receivable	1,000,000	1,000,000
Property and equipment, net	1,197,911	1,068,899
Right-of-use assets - operating leases	3,095,245	-
	<u>5,293,156</u>	<u>2,068,899</u>
Total assets	<u>\$ 26,341,691</u>	<u>\$ 21,780,635</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	\$ 12,062,206	\$ 10,272,049
Accrued vacation	475,865	442,298
Grant advances	400,567	1,529,089
Current portion of operating lease liability	975,090	-
	<u>13,913,728</u>	<u>12,243,436</u>
Total current liabilities	13,913,728	12,243,436
Operating lease liability	2,180,906	-
Settlement payable	1,000,000	1,000,000
	<u>3,180,906</u>	<u>1,000,000</u>
Total liabilities	<u>17,094,634</u>	<u>13,243,436</u>
Net Assets		
Without donor restrictions		
Undesignated	7,446,752	6,934,819
Board-designated	79,871	79,863
Invested in property and equipment	1,197,911	1,068,899
	<u>8,724,534</u>	<u>8,083,581</u>
Total net assets without donor restrictions	8,724,534	8,083,581
With donor restrictions		
Purpose restrictions	522,523	453,618
	<u>522,523</u>	<u>453,618</u>
Total net assets	<u>9,247,057</u>	<u>8,537,199</u>
Total liabilities and net assets	<u>\$ 26,341,691</u>	<u>\$ 21,780,635</u>

Jewish Community Council of Greater Coney Island Inc.
Statements of Activities
Years Ended June 30, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Other Support						
Grants						
Government	\$ 21,286,352	\$ -	\$ 21,286,352	\$ 41,732,599	\$ -	\$ 41,732,599
Corporate and foundation	43,939,536	-	43,939,536	35,047,914	-	35,047,914
Contributions						
Corporate and foundation	32,500	293,500	326,000	180,122	235,178	415,300
General public	52,095	163,254	215,349	61,235	104,490	165,725
Participant contributions	171,047	247	171,294	135,187	1,412	136,599
Participant fees	37,014	-	37,014	36,520	-	36,520
Contributions of nonfinancial assets	579,928	-	579,928	621,349	-	621,349
Other income	27,077	-	27,077	2,290,599	-	2,290,599
Interest income (net of fees of \$8,697 and \$8,548 in 2023 and 2022, respectively)	43,126	-	43,126	14,233	-	14,233
Net assets released from restrictions	388,096	(388,096)	-	559,970	(559,970)	-
Total revenues and other support	66,556,771	68,905	66,625,676	80,679,728	(218,890)	80,460,838
Expenses						
Program services	61,780,947	-	61,780,947	70,889,746	-	70,889,746
Supporting services	4,134,871	-	4,134,871	3,607,105	-	3,607,105
Total expenses	65,915,818	-	65,915,818	74,496,851	-	74,496,851
Change in Net Assets	640,953	68,905	709,858	6,182,877	(218,890)	5,963,987
Net Assets, Beginning of Year	8,083,581	453,618	8,537,199	1,900,704	672,508	2,573,212
Net Assets, End of Year	\$ 8,724,534	\$ 522,523	\$ 9,247,057	\$ 8,083,581	\$ 453,618	\$ 8,537,199

Jewish Community Council of Greater Coney Island Inc.
Statement of Functional Expenses
Year Ended June 30, 2023

	Program Services																		Supporting Services			Total
	Adult Literacy	Education/ Youth Services	Financial Assistance to Indigent Clients	Other Social Assistance	Senior Citizen Homecare	Senior Citizen Transportation/ Community Shuttle Bus	Vocational Services	Senior Centers	Home Delivered Meals	Technical Assistance	Homebound Senior Visitation Services	Gun Violence Prevention	Urban Neighborhood Multi-Service Center	Domestic Violence	Storm Recovery and Disaster Prevention	COVID-19 Assistance and Education	Mental Health Services	Total	Management and General	Fundraising	Total	2023
Salaries	\$ 415,219	\$ 1,042,390	\$ 3,070	\$ 1,083,741	\$ 710,965	\$ 1,324,025	\$ 1,604,280	\$ 2,411,155	\$ 558,891	\$ 135,732	\$ 244,294	\$ 1,730,322	\$ 64,829	\$ 50,616	\$ 11,332	\$ 1,280,246	\$ 159,813	\$ 12,830,920	\$ 2,509,397	\$ 55,404	\$ 2,564,801	\$ 15,395,721
Payroll taxes and employee benefits	75,296	168,301	398	180,324	140,449	214,903	313,423	451,953	135,969	17,517	71,421	277,399	6,745	5,637	1,220	160,911	17,486	2,238,952	549,118	7,800	556,918	2,795,870
Occupancy	17,600	83,046	-	20,603	3,846	5,730	438,655	1,010,324	10,019	-	1,923	98,924	8,836	2,414	-	65,970	-	1,757,990	82,306	-	82,306	1,850,196
Program supplies and expenses	19,129	124,030	3,727	32,442	79	133	10,415	133,438	7,095	-	20,845	285,416	155	210	-	24,172	10,774	672,060	-	-	-	672,060
Office supplies and expenses	1,131	576	-	5,603	144	1,613	234,862	40,440	2,451	-	70	11,603	2,129	1,408	-	14,614	451	317,095	55,288	11,421	66,709	383,804
Equipment and maintenance	16,889	9,885	3,007	9,949	49,028	31,993	80,417	102,651	8,543	532	180	27,120	1,462	1,423	-	27,541	35,855	406,475	299,209	-	299,209	705,684
Telephone and postage	2,092	1,267	-	8,729	1,644	9,507	15,092	35,139	800	-	3,807	10,365	484	164	-	15,138	599	105,211	29,502	3,517	33,019	138,230
Automotive expense	-	-	-	-	-	136,934	-	-	46,508	-	-	23,451	-	-	-	15	-	206,908	-	-	-	206,908
Printing and advertising	1,000	12,157	-	3,936	-	4,791	17,935	5,795	-	1,158	-	1,628	-	-	-	26,177	1,400	75,977	1,031	3,505	4,536	80,513
Participant stipends	-	-	-	-	-	-	-	-	-	-	-	60,960	-	-	-	-	-	60,960	-	-	-	60,960
Recreational and educational consultants	-	-	-	4,750	-	-	-	316,735	-	-	-	1,920	-	-	-	-	-	323,405	-	-	-	323,405
Professional fees	-	27,775	-	13,452	-	243	321,022	70,178	22,929	35,424	105	112,720	27	4	147	54,895	-	658,921	168,805	122,173	290,978	949,899
Food/congregate food expense	-	-	8,738	75,667	-	-	-	823,802	1,007,735	-	66,472	8,849	-	-	-	2,862	-	1,994,125	-	-	-	1,994,125
Transportation services	-	59,900	-	-	-	4,061	-	-	-	-	-	13,195	-	-	-	-	-	77,156	-	-	-	77,156
Senior citizen transportation services	-	-	-	404	-	2,018,950	-	10,843	-	-	-	-	-	-	-	-	-	2,030,197	-	-	-	2,030,197
Senior citizen homecare	-	-	-	-	36,570,370	-	-	-	-	-	-	-	-	-	-	-	-	36,570,370	-	-	-	36,570,370
Staff travel	2,654	-	-	1,073	-	134	358	20	-	-	128	-	-	-	-	2,793	-	7,160	437	-	437	7,997
Insurance	-	-	-	1,000	-	-	-	-	-	5,470	-	-	-	-	-	-	-	6,470	107,783	-	107,783	114,253
Dues, fees, subscriptions, honoraria, and workshop registration	-	-	58	207	51	84	378	20,984	609	1,009	167	4,572	2	2	-	279	33	31,808	42,888	4,899	47,787	79,595
Camp scholarships	1,005	2,368	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,900	-	-	-	8,900
Depreciation and amortization	111	-	8,900	104	-	58,992	109,361	34,405	2,077	-	1,680	30,659	-	130	10	-	-	237,529	78,988	1,400	80,388	317,917
Vocational training	-	-	-	-	-	-	364,337	-	-	-	-	-	-	-	-	-	-	364,337	-	-	-	364,337
Subcontracting	-	-	-	76,001	-	-	66,448	-	-	-	-	42,825	-	-	-	443,358	134,291	762,923	-	-	-	762,923
Emergency relief distribution	-	-	24,698	-	-	-	-	-	-	-	-	500	-	-	-	-	-	25,198	-	-	-	25,198
Total expenses reported on the statements of activities	\$ 552,126	\$ 1,531,695	\$ 52,596	\$ 1,517,985	\$ 37,476,576	\$ 3,812,093	\$ 3,576,983	\$ 5,467,462	\$ 1,803,626	\$ 196,842	\$ 411,092	\$ 2,742,428	\$ 84,669	\$ 62,008	\$ 13,093	\$ 2,118,971	\$ 360,702	\$ 61,780,947	\$ 3,924,752	\$ 210,119	\$ 4,134,871	\$ 65,915,818

Jewish Community Council of Greater Coney Island Inc.
Statement of Functional Expenses
Year Ended June 30, 2022

	Program Services															Supporting Services			Total		
	Adult Literacy	Education/ Youth Services	Financial Assistance to Indigent Clients	Other Social Assistance	Senior Citizen Homecare	Senior Citizen Transportation/ Community Shuttle Bus	Vocational Services	Senior Centers	Home Delivered Meals	Technical Assistance	Homebound Senior Visitation Services	Gun Violence Prevention	Urban Neighborhood Multi-Service Center	Domestic Violence	Storm Recovery and Disaster Prevention	COVID-19 Assistance And Education	Total	Management and General	Fundraising	Total	2022
Salaries	\$ 438,216	\$ 1,037,810	\$ 8,474	\$ 1,001,978	\$ 606,434	\$ 1,080,425	\$ 21,363,254	\$ 1,974,060	\$ 405,309	\$ 158,454	\$ 231,716	\$ 1,458,423	\$ 126,538	\$ 37,472	\$ 12,018	\$ 355,048	\$ 30,295,629	\$ 2,147,874	\$ 52,746	\$ 2,200,620	\$ 32,496,249
Payroll taxes and employee benefits	63,878	135,507	830	176,093	113,097	169,942	2,470,727	339,350	84,043	15,435	62,416	186,706	13,471	5,210	1,607	39,943	3,868,255	363,655	5,965	369,620	4,237,875
Occupancy	-	104,596	-	13,315	3,846	5,542	460,646	837,877	9,432	-	3,846	107,527	11,218	5,328	-	17,000	1,580,173	74,689	-	74,689	1,654,862
Program supplies and expenses	15,765	142,412	3,603	14,500	74	536	87,755	91,585	5,054	50	22,724	124,217	138	3,486	-	9,362	521,261	-	-	-	521,261
Office supplies and expenses	1,049	1,343	-	3,898	134	411	241,005	41,460	592	-	1,758	23,194	7,185	2,660	-	2,481	327,170	53,752	17,122	70,874	398,044
Equipment and maintenance	13,503	7,606	2,215	48,869	43,649	68,762	141,947	89,402	3,826	230	-	103,871	5,817	1,403	61	107,275	638,536	202,890	-	202,890	841,426
Telephone and postage	1,491	1,158	2,704	5,301	1,085	8,750	19,061	29,086	357	-	3,184	13,383	2,253	608	123	1,567	90,341	28,016	2,918	30,934	121,275
Automotive expense	-	-	-	-	-	136,081	-	240	42,244	-	-	825	-	-	-	-	179,390	72	-	72	179,462
Printing and advertising	-	8,926	370	3,595	-	7,034	22,783	6,922	567	-	86	1,455	-	-	-	31,085	82,823	2,466	13,240	15,706	98,529
Participant stipends	-	-	-	-	-	-	-	-	-	-	-	16,775	-	-	-	-	16,775	-	-	-	16,775
Recreational and educational consultants	-	-	-	990	-	-	-	231,358	-	-	-	-	-	-	-	-	232,348	-	-	-	232,348
Professional fees	-	21,746	-	14,002	-	220	276,084	55,885	15,205	20,497	1,911	48,021	37	-	156	1,606	455,370	145,635	276,645	422,280	877,650
Food/congregate food expense	-	-	27,986	-	-	-	797,807	598,269	-	-	16,388	184	-	-	-	8,229	1,448,863	2,590	2,659	5,249	1,454,112
Transportation services	-	51,800	-	-	-	490	-	-	-	-	-	5,000	-	-	-	-	57,290	-	-	-	57,290
Senior citizen transportation services	-	-	-	-	-	1,688,409	-	775	-	-	279	-	-	-	-	-	1,689,463	-	-	-	1,689,463
Senior citizen homecare	-	-	-	-	28,507,143	-	-	-	-	-	-	-	-	-	-	-	28,507,143	-	-	-	28,507,143
Staff travel	947	-	-	176	-	336	454	1,587	-	-	130	760	75	-	-	253	4,718	141	134	275	4,993
Insurance	-	-	-	50	-	-	-	-	2,835	-	-	-	-	-	-	-	2,885	89,846	-	89,846	92,731
Dues, fees, subscriptions, honoraria, and workshop registration	468	2,657	48	75	116	750	18,524	6,717	2,079	906	223	3,637	4	-	366	36,570	44,243	4,151	48,394	84,964	
Camp scholarships	-	-	11,000	-	-	-	-	-	-	-	-	-	-	-	-	-	11,000	-	-	-	11,000
Depreciation and amortization	222	-	-	208	125	59,386	119,614	36,813	8,119	-	1,680	22,499	-	260	20	-	248,946	70,923	4,733	75,656	324,602
Vocational training	-	-	-	-	-	-	202,382	-	-	-	-	-	-	-	-	-	202,382	-	-	-	202,382
Subcontracting	-	-	-	26,500	-	-	153,901	-	-	-	-	30,010	-	-	-	149,174	359,585	-	-	-	359,585
Emergency relief distribution	-	-	32,830	-	-	-	-	-	-	-	-	-	-	-	-	-	32,830	-	-	-	32,830
Total expenses reported on the statements of activities	\$ 535,539	\$ 1,515,561	\$ 90,060	\$ 1,309,550	\$ 29,275,703	\$ 3,227,074	\$ 25,578,137	\$ 4,540,924	\$ 1,175,196	\$ 198,407	\$ 336,341	\$ 2,146,497	\$ 166,736	\$ 56,627	\$ 13,985	\$ 723,409	\$ 70,889,746	\$ 3,228,792	\$ 380,313	\$ 3,607,105	\$ 74,496,851

Jewish Community Council of Greater Coney Island Inc.
Statements of Cash Flows
Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating Activities		
Change in net assets	\$ 709,858	\$ 5,963,987
Items not requiring operating cash flows		
Depreciation and amortization	317,917	324,602
Forgiveness of PPP loan	-	(1,738,940)
Forgiveness of accrued interest expense on PPP loan	-	(37,402)
Noncash operating lease expense	874,060	-
Changes in		
Grants receivable	(1,267,699)	(7,281,768)
Contributions receivable	-	110,000
Prepaid and other assets	604,687	90,907
Accounts payable and accrued expenses	1,713,987	2,144,179
Accrued vacation	33,567	45,542
Grant advances	(1,128,522)	1,166,366
Operating lease liability	(838,850)	-
	<u>1,019,005</u>	<u>787,473</u>
Investing Activities		
Capital expenditures	(370,759)	(346,961)
Purchase of investments	(34,110)	(10,489)
	<u>(404,869)</u>	<u>(357,450)</u>
Financing Activities		
Repayments of loan	-	(1,793,696)
	<u>-</u>	<u>(1,793,696)</u>
Net Change in Cash	614,136	(1,363,673)
Cash, Beginning of Year	<u>5,621,455</u>	<u>6,985,128</u>
Cash, End of Year	<u>\$ 6,235,591</u>	<u>\$ 5,621,455</u>
Reconciliation of Cash, End of Year		
Cash	\$ 6,155,720	\$ 5,541,592
Cash, board-designated	79,871	79,863
	<u>\$ 6,235,591</u>	<u>\$ 5,621,455</u>
Supplemental Cash Flows Information		
Receivable from forgiveness of PPP loan	\$ -	\$ 852,985
Property and equipment in accounts payable	\$ 76,170	\$ 112,301
ROU assets obtained in exchange for new operating lease liabilities	\$ 200,263	\$ -

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Jewish Community Council of Greater Coney Island Inc. (JCCGCI) is a community-based organization with a citywide scope, providing a wide-spectrum of senior citizen, vocational, educational, crime-reduction, community revitalization, and related services benefiting all segments of the population. JCCGCI is also a technical assistance provider, offering capacity building services to nonprofits in all five boroughs through its NonProfit HelpDesk division. With 40 program sites throughout New York City staffed by almost 350 social service professionals, JCCGCI assists an average of upwards of 2,500 needy individuals and families each day.

As the COVID-19 pandemic continued, JCCGCI focused and adapted their programs and services to a revised level of functionality, including expanded COVID-19 assistance and education.

JCCGCI's revenues and other support are derived principally from contributions and grants from various government agencies, foundations, and corporations, and its activities are conducted in the New York City area.

Use of 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash equivalents include certain investments in highly liquid instruments with original maturities, when acquired, of three months or less. At June 30, 2023 and 2022, cash equivalents consisted primarily of money market accounts.

Investment – FJC Agency Loan Fund and Net Investment Return

The investment in the FJC Agency Loan Fund is recorded at fair value based upon the cash liquidation value as provided by the manager of the fund. Investment return includes interest on investments carried at fair value, less external and direct internal investment expenses.

Grants Receivable

Grants receivable from contracting agencies are recorded when earned and stated at the amount billed. Interest is not charged or accrued on outstanding receivables.

Allowance for Doubtful Accounts

JCCGCI has determined that no allowance for uncollectible accounts for grants or contributions receivable is necessary as of June 30, 2023 and 2022. Such estimate is based on management's assessment of the creditworthiness of its donors, the aged basis of its receivables, as well as current economic conditions, subsequent receipts, and historical information.

Jewish Community Council of Greater Coney Island Inc.
Notes to Financial Statements
June 30, 2023 and 2022

Property and Equipment

Property and equipment acquisitions over \$5,000 are stated at cost, less accumulated depreciation and amortization. Depreciation and amortization are charged to expense on the straight-line basis over the estimated useful life of each asset. Assets under capital lease obligations (if applicable) and leasehold improvements are amortized over the shorter of the lease-term or respective estimated useful lives.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Furniture and equipment	3–10 years
Leasehold improvements	1–20 years

Long-Lived Asset Impairment

JCCGCI evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized for the years ended June 30, 2023 and 2022, respectively.

Grant Advances

Advance payments from contracting agencies that are not yet earned are recorded as liabilities until earned.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor restrictions. These include undesignated net assets, board-designated net assets, and net assets representing the net investment in property and equipment.

Net assets with donor restrictions are subject to donor restrictions. Restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor.

Grants

Expense-based grants are recognized into revenue as allowable expenses are incurred. Performance-based grants are recognized into revenue as milestones are achieved. Revenues from contracting agencies are subject to audit by the agencies. No provision for any disallowance is reflected in the financial statements since management does not anticipate any material adjustments.

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Contributions

Contributions are provided to JCCGCI either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

<u>Nature of the Gift</u>	<u>Value Recognized</u>
<i>Conditional gifts, with or without restriction</i>	
Gifts that depend on a future and uncertain event	Not recognized until the gift becomes unconditional, <i>i.e.</i> , the donor-imposed condition is substantially met
<i>Unconditional gifts, with or without restriction</i>	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment, and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

When a donor-stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment, and other long-lived assets are reported when those assets are placed in service.

Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as revenue with donor restrictions and then released from restriction.

Conditional grants and investment income having donor stipulations which are satisfied in the period the gift is received and the investment income is earned are recorded as revenue without donor restrictions.

Income Taxes

JCCGCI is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law. However, JCCGCI is subject to federal income tax on any unrelated business taxable income. JCCGCI files tax returns in the U.S. federal jurisdiction.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statements of activities. Certain costs have been allocated among the program, management and general, and fundraising categories based on the square footage and other methods.

Advertising

Advertising costs are expensed as incurred.

Subsequent Events

Subsequent events have been evaluated through February 13, 2024, which is the date the financial statements were available to be issued.

Note 2. Revenue from Contracts with Customers

Transaction Price and Recognition

JCCGCI determines the transaction price based on standard charges for services provided, reduced by discounts provided in accordance with JCCGCI's policy. JCCGCI determines its estimates of explicit price concessions based on its discount policies. JCCGCI determines its estimate of implicit price concessions based on its historical collection experience with this class of customers. Payments are typically due at the end of the contract term and does not have a significant financial component. Sometimes the consideration amounts are variable, therefore, subsequent changes to the estimate of the transaction price are generally recorded as adjustments to revenue in the period of the change.

For the years ended June 30, 2023 and 2022, JCCGCI recognized revenue of \$63,710 and \$72,272, respectively, from services that transfer to the customers over time.

Performance Obligations and Transaction Price Allocated to Remaining Performance Obligations

Because all of its performance obligations relate to contracts with a duration of less than one year, JCCGCI has elected to apply the optional exemption provided in the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 606-10-50-14(a) and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The performance obligations referred to above are primarily related to participant fees and outsourced IT services. There were no unsatisfied or partially unsatisfied performance obligations as of June 30, 2023 and 2022.

Note 3. Investments and Fair Value Measurements

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 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 for substantially the full term of the assets or liabilities

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Level 3 Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Recurring Measurements

The following table presents the fair value measurements of assets recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
FJC Agency Loan Fund - Level 2	<u>\$ 890,021</u>	<u>\$ 855,911</u>

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the years ended June 30, 2023 and 2022.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections, and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

Note 4. Corporate and Foundation Grants

Included in corporate and foundation grants are amounts received and expended from the Conference on Jewish Material Claims Against Germany, Inc. for Holocaust-related programs including the German Government Grant. Amounts recognized in revenue for the years ended June 30, 2023 and 2022 totaled \$41,727,290 and \$33,090,967, respectively.

Management of JCCGCI believes the organization has complied with the provisions of the grant agreement and grant funds were expended exclusively for the purpose for which they were granted.

Note 5. Leases

Change in Accounting Principle

In February 2016, FASB issued Accounting Standards Update (ASU) 2016-02, *Leases* (Topic 842). This ASU requires lessees to recognize a lease liability and a right-of-use (ROU) asset on a discounted basis, for substantially all leases, as well as additional disclosures regarding leasing arrangements. Disclosures are required to enable users of consolidated financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. In July 2018, FASB issued ASU 2018-11, *Leases* (Topic 842): *Targeted Improvements*, which provides an

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optional transition method of applying the new lease standard. Topic 842 can be applied using either a modified retrospective approach at the beginning of the earliest period presented or as permitted by ASU 2018-11, at the beginning of the period in which it is adopted, *i.e.*, the comparatives under ASC 840 option.

JCCGCI adopted Topic 842 on July 1, 2022 (the effective date), using the comparatives under ASC 840 transition method, which applies Topic 842 at the beginning of the period in which it is adopted. Prior period amounts have not been adjusted in connection with the adoption of this standard. JCCGCI elected the package of practical expedients under the new standard, which permits entities to not reassess lease classification, lease identification, or initial direct costs for existing or expired leases prior to the effective date. JCCGCI may have lease agreements with nonlease components that relate to the lease components. JCCGCI elected the practical expedient to account for nonlease components and the lease components to which they relate as a single lease component for all. Also, JCCGCI elected to keep short-term leases with an initial term of 12 months or less off the statement of financial position. JCCGCI did not elect the hindsight practical expedient in determining the lease term for existing leases as of July 1, 2022.

The most significant impact of adoption was the recognition of operating lease ROU assets and operating lease liabilities of \$3,756,285 and \$3,769,069, respectively. As part of adopting the standard, previously recognized prepaid expenses and liabilities for deferred rent and lease incentives were reclassified as a component of the ROU assets. The standard did not significantly affect the statements of activities or cash flows.

Accounting Policies

JCCGCI determines if an arrangement is a lease or contains a lease at inception. Leases result in the recognition of ROU assets and lease liabilities on the statements of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. JCCGCI determines lease classification as operating or finance at the lease commencement date.

JCCGCI combines any lease and nonlease components, such as common area and other maintenance costs, and accounts for them as a single lease component in calculating the ROU assets and liabilities. Payments on leases in excess of the fixed rent amount used in determination of the lease liability are variable payments.

At lease commencement, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. JCCGCI has made a policy election to use a risk-free rate (the rate of a zero-coupon U.S. Treasury instrument) for the initial and subsequent measurement of all lease liabilities. The risk-free rate is determined using a period comparable with the lease term.

The lease term may include options to extend or to terminate the lease that JCCGCI is reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term.

JCCGCI has elected not to record leases with an initial term of 12 months or less on the statements of financial position. Lease expense on such leases is recognized on a straight-line basis over the lease term.

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Nature of Leases

JCCGCI has entered into the following lease arrangements:

Operating Leases

JCCGCI has leases for office space that expire in various years through 2031. These leases generally contain renewal options for periods ranging from zero to five years and require JCCGCI to pay all executory costs (property taxes, maintenance, and insurance). Lease payments have an escalating fee schedule, which ranges from a 2% to 3% increase each year. Certain lease agreements include the option for JCCGCI to terminate the lease if certain government funding is not renewed.

Short-Term Leases

JCCGCI leases certain space based on project demand. The expected lease terms are less than 12 months.

All Leases

JCCGCI has no material related-party leases.

JCCGCI's lease agreement does not contain any material residual value guarantees or material restrictive covenants.

Quantitative Disclosures

The total lease cost and other required information for the year ended June 30, 2023 is:

Lease cost		
Operating lease cost	\$	962,572
Short-term lease cost		<u>214,377</u>
Total lease cost	\$	<u><u>1,176,949</u></u>
Other information		
Operating cash flows from operating leases	\$	943,424
Right-of-use assets obtained in exchange for new operating lease liabilities		200,263
Weighted-average remaining lease term		
Operating leases		4 years
Weighted-average discount rate		
Operating leases		2.92%

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Future minimum lease payments and reconciliation to the statement of financial position at June 30, 2023 are as follows:

2024	\$ 975,090
2025	837,065
2026	684,803
2027	334,719
2028	208,244
Thereafter	<u>280,546</u>
Total future undiscounted lease payments	3,320,467
Less interest	<u>(164,471)</u>
Lease liabilities	<u><u>\$ 3,155,996</u></u>

Prior Year Disclosures Under ASC 840

The following are the total future minimum rental payments required under the operating leases:

<u>Year Ended June 30</u>	
2023	\$ 872,209
2024	783,722
2025	638,456
2026	517,926
2027	205,741
Thereafter	<u>454,586</u>
	<u><u>\$ 3,472,640</u></u>

Total rent expense for the year ended June 30, 2022 was \$1,569,495.

Note 6. Fixed Assets

	<u>2023</u>	<u>2022</u>
Furniture and equipment	\$ 2,683,921	\$ 2,503,728
Leasehold improvements	1,993,861	1,873,861
Software	257,500	257,500
Construction in progress	<u>283,015</u>	<u>161,197</u>
	<u>5,218,297</u>	<u>4,796,286</u>
Accumulated depreciation and amortization	(4,020,386)	(3,727,387)
	<u><u>\$ 1,197,911</u></u>	<u><u>\$ 1,068,899</u></u>

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Included in furniture and equipment is \$355,500 of vehicles, which are subject to a lien from the Department for the Aging (DFTA), and \$115,766 of equipment, which is subject to a lien from the NYC Department of Design and Construction (DDC). These liens state that, in the event of program termination, the assets purchased from grant funds will be returned to the funding source.

Note 7. Conditional Grants and Future Commitments

JCCGCI receives its grant support through periodic claims filed with the respective funding sources, not to exceed a limit specified in the funding agreement. Since the financial statements of JCCGCI are prepared on the accrual basis, all earned portions of the grants not yet received as of June 30, 2023 have been recorded as receivables. The grant commitments will be recognized into revenue as allowable expenses are incurred or milestones are achieved. The following are the grant commitments that extend beyond June 30, 2023:

<u>Conditional Promise to Give/Grant</u>	<u>Term</u>	<u>Grant Amount</u>	<u>Earned or Expired Through 2023</u>	<u>Funding Available</u>
Corporate and Foundational Grants	Various between FY21–FY24	\$ 46,837,385	\$ 24,334,076	\$ 22,503,309
New York City Agencies	Various between FY19–FY27	41,732,697	18,947,032	22,785,665
New York State Agencies	Various between FY18–FY27	14,523,308	7,692,899	6,830,409
		<u>\$ 103,093,390</u>	<u>\$ 50,974,007</u>	<u>\$ 52,119,383</u>

In addition to the multi-year grants, JCCGCI also has one-year contracts for fiscal year 2024 with various agencies which total approximately \$2,541,575.

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Note 8. Net Assets

Net Assets With Donor Restrictions

Net assets with donor restrictions at June 30 are restricted for the following purposes:

	<u>2023</u>	<u>2022</u>
After school programs	\$ 61	\$ 10,060
Camp scholarships	5,510	4,692
Emergency relief	5,463	5,843
Technical assistance	8,842	10,000
Food pantry - Passover	11,951	12,082
Friendly visiting	31,689	5,450
Homecare	33,673	40,851
Horizons academy	1,013	12,640
Matching for Claims Conference/Holocaust services	105,631	62,760
Senior programs	70,478	50,934
Sunday program	3,339	2,031
Transportation	17,908	44,042
Urban Neighborhood Services	3,504	3,985
COVID-19 relief and assistance	7,630	13,436
Vocational services	5,004	5,004
Club 2600	-	420
Home delivered meals	694	1,149
Hurricane Sandy - rebuilding	168,239	168,239
Operation Hood	41,894	-
	<u>\$ 522,523</u>	<u>\$ 453,618</u>

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Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the following restricted purposes:

	<u>2023</u>	<u>2022</u>
After school programs	\$ 9,999	\$ 10,678
Camp scholarships	10,595	13,660
Club 2600	420	-
Emergency relief	3,731	4,601
Technical Assistance	1,158	-
Food pantry - Passover	27,776	38,048
Friendly visiting	60,315	6,472
Homecare	32,179	72,241
Horizons academy	19,127	99,137
Matching for Claims Conference/Holocaust services	118,344	96,961
Senior programs	33	640
Sunday program	30,692	11,598
Transportation	66,381	186,572
Urban Neighborhood Services	481	-
Vocational services	-	360
COVID-19 relief and assistance	5,804	19,002
Home delivered meals	455	-
Operation Hood	606	-
	<u>\$ 388,096</u>	<u>\$ 559,970</u>

Note 9. Retirement Plan

JCCGCI has a 403(b) plan for employees. JCCGCI does not contribute to the plan.

Note 10. Line of Credit

On January 23, 2020, JCCGCI reestablished their \$400,000 line of credit, which had expired on June 1, 2019. The line of credit bore interest at 7.951% plus the British Bankers Association (BBA) LIBOR. The line of credit was extended on April 19, 2022 with a new expiration date of April 20, 2023. The line of credit bears interest rate at 5.889% plus the British Bankers Association (BBA) LIBOR, for an effective interest rate of 4.5% as of June 30, 2022. In 2022, LIBOR was replaced by Secured Overnight Financing Rate (SOFR). Interest expense for both the years ended June 30, 2023 and 2022 was \$0. If applicable, interest is recorded in dues, fees, subscriptions, honoraria, and workshops in the statements of functional expenses. The line was secured by all business assets, inventory, equipment, general intangibles, chattel paper, documents, instruments, and letter of credit rights of JCCGCI, as applicable. There were no proceeds, payments, or outstanding balances on the line of credit as of and for the years ended June 30, 2023 and 2022. The line of credit was not renewed after it expired in April 2023.

Note 11. Long-Term Debt

On March 27, 2020, President Trump signed into law the *Coronavirus Aid, Relief, and Economic Security Act*. On April 7, 2020, JCCGCI received a loan in the amount of \$2,717,053 pursuant to the Paycheck Protection Program (PPP). JCCGCI has elected to account for the funding as a loan in accordance with ASC Topic 470, *Debt*. The loan was due two years from the date of the first disbursement under the loan and had a fixed interest rate of 1% per year. During 2022 the terms of the loan were modified to become due five years from the date of the original disbursement date of the loan. During 2022, JCCGCI made repayments of \$1,793,696 which consisted of principal payments with an ending loan balance of \$923,357 before forgiveness was granted by the Small Business Administration (SBA). On June 30, 2022, the SBA authorized the forgiveness of the PPP loan in the amount of \$1,738,940, which was recognized as a gain in the 2022 financial statements within other income in the statements of activities. The amount of forgiveness over the outstanding loan balance of \$815,583 plus accrued interest payable of \$37,402 were recorded as a receivable at June 30, 2022 within prepaid and other current assets on the statements of financial position. During 2023, JCCGCI received a wire in the amount of \$852,985 issued by the SBA.

Note 12. Employee Retention Tax Credit

The *Coronavirus Aid, Relief, and Economic Security Act*, and subsequent legislation, provides a refundable employee retention tax credit to eligible employers who meet either a gross receipts test or a government mandate test. The tax credit is equal to a specified percentage of qualified wages paid to employees subject to certain limits. JCCGCI recognized revenue of \$500,056 during the year ended June 30, 2022 and has included in the 2022 financial statements within other income in the statement of activities. Payments of \$500,056 were also received during the year ended June 30, 2022.

Laws and regulations concerning the employee retention credit are complex and subject to varying interpretation. These credits may be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge JCCGCI's claim to the employee retention credit, and it is not possible to determine the impact this would have on JCCGCI.

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Note 13. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2023 and 2022, comprise the following:

	<u>2023</u>	<u>2022</u>
Cash	\$ 6,235,591	\$ 5,621,455
Investments	890,021	855,911
Grants receivable	13,616,229	12,348,530
Receivable from PPP loan forgiveness	-	852,985
	<u>20,741,841</u>	<u>19,678,881</u>
Donor-imposed restrictions		
Restricted funds	<u>(522,523)</u>	<u>(453,618)</u>
Net financial assets after donor-imposed restrictions	20,219,318	19,225,263
Internal designations		
Board-designated	<u>(79,871)</u>	<u>(79,863)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 20,139,447</u>	<u>\$ 19,145,400</u>

The board-designated fund had a balance of \$79,871 and \$79,863 at June 30, 2023 and 2022, respectively. Although JCCGCI does not intend to spend from this fund, these amounts could be made available if necessary.

JCCGCI manages its liquidity following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term expenditures, and operating needs and maintaining sufficient liquidity to provide reasonable assurance that long-term obligations will be discharged. JCCGCI monitors liquidity and cash flow on an ongoing basis to ensure an appropriate amount of cash and cash equivalents are available to meet current expenditure needs.

Note 14. Contributed Nonfinancial Assets

For the years ended June 30, 2023 and 2022, contributed nonfinancial assets recognized within the statements of activities included:

	<u>2023</u>	<u>2022</u>
Occupancy	\$ 572,141	\$ 572,141
Food	463	49,208
Transportation	<u>7,324</u>	<u>-</u>
	<u>\$ 579,928</u>	<u>\$ 621,349</u>

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Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions. JCCGCI estimated the fair value on the basis of estimates of wholesale values that would be received for similar products in the United States or the market price of the donated space.

JCCGCI occupies a portion of an office building, which includes its main office along with one of its senior centers without incurring rent and related costs. The building is rented by the City of New York Department of Citywide Administrative Services, which donates the space to JCCGCI. The lease between the City of New York and the landlord expires on May 31, 2027. \$268,541 of rent and utilities paid by the City of New York has been included in these financial statements as a contributed nonfinancial asset for both the years ended June 30, 2023 and 2022.

Additionally, two of JCCGCI's senior centers receive donated space in buildings owned by the New York City Housing Authority (NYCHA). This amount has been included in these financial statements as a contributed nonfinancial asset for each of the years ended June 30, 2023 and 2022 at an estimated value of \$303,600.

Note 15. Significant Estimates, Concentrations, and Contingencies

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Cash

Financial instruments which potentially subject the organization to a concentration of credit risk are cash accounts with financial institutions in New York City which during the year had balances in excess of FDIC insurance limits. At June 30, 2023, JCCGCI's cash accounts exceeded federally insured limits by approximately \$6,000,000.

Investments

JCCGCI invests in investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the accompanying statements of financial position.

Grants

Grant revenues are primarily from the Conference on Jewish Material Claims Against Germany, Inc. (64% and 43% for the years ended June 30, 2023 and 2022, respectively) and New York City agencies (23% and 50% for the years ended June 30, 2023 and 2022, respectively). Grant receivables are primarily from New York City agencies (59% and 79% for the years ended June 30, 2023 and 2022, respectively) and New York State agencies (22% and 12% as of June 30, 2023 and 2022, respectively).

JCCGCI receives grants from various state and city government agencies performed under contracts. Such contracts are subject to governmental compliance audits from the granting agencies, as well as the New York State Office of the Attorney General, the Internal Revenue Service and the New York State Department of Charities Registration, and may, from time to time, result in adjustments to fees and grants received. In the opinion of JCCGCI, the disposition of all such matters should not have a material effect on JCCGCI's financial position or change in net assets.

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General Litigation

JCCGCI is subject to claims and lawsuits that arise primarily in the ordinary course of its activities. It is the opinion of management the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the financial position, change in net assets and cash flows of JCCGCI. Events could occur that would change this estimate materially in the near term.

JCCGCI has recorded an accrual of \$1,000,000 for a potential settlement for an ongoing claim against JCCGCI related to an automobile accident. As the claim would be fully covered by insurance, a related receivable has also been recorded. This has no impact on the change in net assets that is reported in the statements of activities.