Jewish Association for Services for the Aged and Affiliate

Combined Financial Statements and Independent Auditor's Report

June 30, 2023 and 2022

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Jewish Association for Services for the Aged and Affiliate

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Independent Auditor's Report

Board of Trustees
Jewish Association for Services for the Aged and Affiliate

Opinion

We have audited the combined financial statements of Jewish Association for Services for the Aged and Affiliate (the "Organization"), which comprise the combined statements of financial position as of June 30, 2023 and 2022, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the combined financial position of the Organization 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 Combined Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Combined Financial Statements

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

In preparing the combined 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 for one year after the date that the combined financial statements are issued.

Auditor's Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined 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 combined 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 combined 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 combined 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 combined 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 audits.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combining statement of financial position and combining statement of activities are presented for purposes of additional analysis and are not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

CohnReznick LLP

New York, New York
March 28, 2024

Jewish Association for Services for the Aged and Affiliate

Combined Statements of Financial Position
June 30, 2023 and 2022

Assets

	2023	2022
Current assets		
Cash	$ 5,337,044	$ 3,329,797
Investments at fair value	7,520,797	5,606,058
Due from governmental agencies	10,154,357	5,635,877
Accounts receivable, net	6,380,516	10,963,965
Due from affiliates, net	2,820,197	1,978,044
Prepaid expenses and other assets	1,022,388	917,603
Total current assets	33,235,299	28,431,344
Noncurrent assets		
Investments in limited liability investment companies	521	1,270,260
Property and equipment, net	695,022	405,948
Assets held for a specific purpose	699,492	548,543
Assets held for Guardianship clients and others	7,897,373	7,392,407
Operating right-of-use assets	19,085,956	20,864,769
Total noncurrent assets	28,378,364	30,481,927
Total assets	$ 61,613,663	$ 58,913,271

Liabilities and Net Assets

	2023	2022
Current liabilities		
Accounts payable and accrued expenses	$ 3,394,820	$ 2,808,133
Accrued payroll and payroll taxes	3,984,697	2,996,105
Operating lease liabilities, current	2,233,334	2,113,260
Refundable advances and other liabilities	4,769,857	4,464,296
Total current liabilities	14,382,708	12,381,794
Noncurrent liabilities		
Operating lease liabilities, noncurrent	18,558,097	20,349,189
Amounts held for a specific purpose	699,492	548,543
Due to Guardianship clients and others	7,897,373	7,392,407
Total noncurrent liabilities	27,154,962	28,290,139
Total liabilities	41,537,670	40,671,933
Net assets		
Without donor restrictions		
Undesignated	11,716,408	10,297,497
Board designated - operating reserve	6,384,143	5,841,719
	18,100,551	16,139,216
With donor restrictions	1,975,442	2,102,122
Total net assets	20,075,993	18,241,338
Total liabilities and net assets	$ 61,613,663	$ 58,913,271

See Notes to Combined Financial Statements.

Jewish Association for Services for the Aged and Affiliate

Combined 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
Support and revenues						
Private support						
UJA - Federation of New York grants	$ 3,087,029	$ -	$ 3,087,029	$ 3,076,771	$ -	$ 3,076,771
Contributions	2,245,928	528,626	2,774,554	3,314,839	957,250	4,272,089
JASA Corporation grants	6,583,580	-	6,583,580	6,351,181	-	6,351,181
Meals on Wheels grants	1,354,776	-	1,354,776	1,332,560	-	1,332,560
Special events	716,850	-	716,850	603,908	-	603,908
Less cost of direct benefits to donors	(172,623)	-	(172,623)	(39,280)	-	(39,280)
Legacies and bequests	1,000	-	1,000	167,156	-	167,156
Total private support	13,816,540	528,626	14,345,166	14,807,135	957,250	15,764,385
Governmental support	41,235,646	-	41,235,646	36,535,517	-	36,535,517
Total private and governmental support	55,052,186	528,626	55,580,812	51,342,652	957,250	52,299,902
Revenues						
Program service fees	6,352,628	-	6,352,628	5,407,735	-	5,407,735
Housing management fees	1,972,416	-	1,972,416	1,953,393	-	1,953,393
Client fees	371,579	-	371,579	268,244	-	268,244
Miscellaneous	32,195	-	32,195	41,859	-	41,859
Investment income (loss), net	490,317	82,734	573,051	(345,094)	(138,822)	(483,916)
Total revenues	9,219,135	82,734	9,301,869	7,326,137	(138,822)	7,187,315
Net assets released from restrictions	738,040	(738,040)	-	463,605	(463,605)	-
Total support and revenues	65,009,361	(126,680)	64,882,681	59,132,394	354,823	59,487,217
Expenses						
Program services	45,767,782	-	45,767,782	42,582,907	-	42,582,907
Total program services	45,767,782	-	45,767,782	42,582,907	-	42,582,907
Supporting services						
Management and general - JASA	14,341,665	-	14,341,665	12,158,872	-	12,158,872
Management and general - JHM	2,453,300	-	2,453,300	2,791,801	-	2,791,801
Fundraising	485,279	-	485,279	522,039	-	522,039
Total supporting services	17,280,244	-	17,280,244	15,472,712	-	15,472,712
Total expenses	63,048,026	-	63,048,026	58,055,619	-	58,055,619
Change in net assets	1,961,335	(126,680)	1,834,655	1,076,775	354,823	1,431,598
Net assets, beginning	16,139,216	2,102,122	18,241,338	15,062,441	1,747,299	16,809,740
Net assets, end	$ 18,100,551	$ 1,975,442	$ 20,075,993	$ 16,139,216	$ 2,102,122	$ 18,241,338

See Notes to Combined Financial Statements.

Jewish Association for Services for the Aged and Affiliate

Combined Statement of Functional Expenses
Year Ended June 30, 2023

	Program services						Supporting services						
	Community guardian	Older adult centers	Intensive services	Care and case management	Other programs	Total	Management and general - JASA	Management and general - Affiliate	Fundraising	Total	Total	Cost of direct benefits to donors	Total
Salaries	$ 2,298,443	$ 3,894,224	$ 1,648,544	$ 6,072,355	$ 7,953,736	$ 21,867,302	$ 7,033,568	$ 1,560,950	$ 252,588	$ 8,847,106	$ 30,714,408	$ -	$ 30,714,408
Payroll taxes and fringe benefits	891,972	1,507,904	632,174	2,354,095	3,083,376	8,469,521	2,615,215	522,833	105,344	3,243,392	11,712,913	-	11,712,913
Total salaries and related expenses	3,190,415	5,402,128	2,280,718	8,426,450	11,037,112	30,336,823	9,648,783	2,083,783	357,932	12,090,498	42,427,321	-	42,427,321
Food and related expenses	-	1,384,268	23	4,060,784	46,559	5,491,634	2,287	26	106	2,419	5,494,053	22,105	5,516,158
Occupancy	345,574	1,082,396	281,365	283,061	871,692	2,864,088	852,171	147,940	21,732	1,021,843	3,885,931	121,686	4,007,617
Professional fees	760,015	376,589	21,358	523,575	837,458	2,518,995	2,198,042	122,460	8,910	2,329,412	4,848,407	-	4,848,407
Client services	-	714,605	25,363	284,083	763,185	1,787,236	(1,308)	-	2,675	1,367	1,788,603	-	1,788,603
Program and office expenses	83,097	447,107	56,000	96,010	486,783	1,168,997	1,208,751	59,199	58,230	1,326,180	2,495,177	28,832	2,524,009
Communication	32,305	65,609	20,914	52,463	131,950	303,241	113,075	12,263	9,713	135,051	438,292	-	438,292
Transportation expenses	15,408	33,442	14,860	252,941	35,627	352,278	15,007	9,948	5,114	30,069	382,347	-	382,347
Insurance	55,455	124,693	42,633	333,161	245,923	801,865	259,175	14,231	12,188	285,594	1,087,459	-	1,087,459
Miscellaneous	1,154	8,945	1,311	7,684	15,441	34,535	45,682	3,450	8,679	57,811	92,346	-	92,346
Bad debt expense	8,871	-	-	-	-	8,871	-	-	-	-	8,871	-	8,871
Total expenses before depreciation and amortization	4,492,294	9,639,782	2,744,545	14,320,212	14,471,730	45,668,563	14,341,665	2,453,300	485,279	17,280,244	62,948,807	172,623	63,121,430
Depreciation and amortization	-	-	-	-	99,219	99,219	-	-	-	-	99,219	-	99,219
Total functional expenses	$ 4,492,294	$ 9,639,782	$ 2,744,545	$ 14,320,212	$ 14,570,949	$ 45,767,782	$ 14,341,665	$ 2,453,300	$ 485,279	$ 17,280,244	$ 63,048,026	$ 172,623	$ 63,220,649

Jewish Association for Services for the Aged and Affiliate

Combined Statement of Functional Expenses
Year Ended June 30, 2022

	Program services						Supporting services						
	Community guardian	Older adult centers	Intensive services	Care and case management	Other programs	Total	Management and general - JASA	Management and general - Affiliate	Fundraising	Total	Total	Cost of direct benefits to donors	Total
Salaries	$ 2,312,556	$ 3,386,888	$ 2,182,159	$ 5,936,618	$ 6,959,238	$ 20,777,459	$ 5,790,808	$ 1,843,488	$ 305,233	$ 7,939,529	$ 28,716,988	$ -	$ 28,716,988
Payroll taxes and fringe benefits	879,353	1,284,265	831,631	2,258,492	2,614,580	7,868,321	2,319,688	567,735	109,619	2,997,042	10,865,363	-	10,865,363
Total salaries and related expenses	3,191,909	4,671,153	3,013,790	8,195,110	9,573,818	28,645,780	8,110,496	2,411,223	414,852	10,936,571	39,582,351	-	39,582,351
Food and related expenses	-	895,896	291	3,569,037	193,788	4,659,012	782	-	-	782	4,659,794	-	4,659,794
Occupancy	361,951	1,032,572	646,534	216,203	751,841	3,009,101	728,121	119,085	22,717	869,923	3,879,024	17,480	3,896,504
Professional fees	618,854	223,204	52,122	343,991	1,074,397	2,312,568	1,907,080	87,611	3,610	1,998,301	4,310,869	-	4,310,869
Client services	-	580,138	36,568	310,590	440,921	1,368,217	309	-	-	309	1,368,526	-	1,368,526
Program and office expenses	113,313	350,475	111,148	107,180	375,269	1,057,385	865,350	84,272	56,696	1,006,318	2,063,703	-	2,063,703
Communication	36,766	76,166	38,060	57,270	123,519	331,781	134,270	14,216	11,727	160,213	491,994	21,800	513,794
Transportation expenses	-	20,247	-	147,067	32,176	199,490	9,444	12,307	245	21,996	221,486	-	221,486
Insurance	58,057	126,274	57,729	358,783	235,212	836,055	245,986	57,811	7,292	311,089	1,147,144	-	1,147,144
Miscellaneous	1,040	1,628	969	3,039	3,684	10,360	147,046	5,276	4,900	157,222	167,582	-	167,582
Bad debt expense	38,952	-	452	-	-	39,404	9,988	-	-	9,988	49,392	-	49,392
Total expenses before depreciation and amortization	4,420,842	7,977,753	3,957,663	13,308,270	12,804,625	42,469,153	12,158,872	2,791,801	522,039	15,472,712	57,941,865	39,280	57,981,145
Depreciation and amortization	-	-	-	-	113,754	113,754	-	-	-	-	113,754	-	113,754
Total functional expenses	$ 4,420,842	$ 7,977,753	$ 3,957,663	$ 13,308,270	$ 12,918,379	$ 42,582,907	$ 12,158,872	$ 2,791,801	$ 522,039	$ 15,472,712	$ 58,055,619	$ 39,280	$ 58,094,899

See Notes to Combined Financial Statements.

Jewish Association for Services for the Aged and Affiliate

Combined Statements of Cash Flows
Years Ended June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities		
Change in net assets	$ 1,834,655	$ 1,431,598
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	99,219	113,754
Bad debt expense	8,871	49,392
Realized and unrealized (gains) losses on investments	(390,888)	650,084
Noncash operating lease costs	2,260,448	2,109,097
Noncash change in operating lease liabilities	319,288	330,687
Changes in operating assets and liabilities		
Accounts receivable	4,574,578	(5,607,498)
Due from governmental agencies	(4,518,480)	(2,669,222)
Due from affiliates	(842,153)	242,232
Prepaid expenses and other assets	(104,785)	(6,941)
Assets held for a specific purpose	(150,949)	(39,203)
Assets held for Guardianship clients and others	(504,966)	943,294
Accounts payable and accrued expenses	586,687	1,242,103
Accrued payroll and payroll taxes	988,592	(1,566,838)
Refundable advances and other liabilities	305,561	2,050,347
Amounts held for a specific purpose	150,949	39,203
Due to Guardianship clients and others	504,966	(943,294)
Operating lease liabilities	(2,471,941)	(2,289,065)
Net cash provided by (used in) operating activities	2,649,652	(3,920,270)
Cash flows from investing activities		
Purchases of property and equipment	(388,293)	(36,848)
Purchases of investments	(2,084,603)	(1,348,836)
Proceeds from sales of investments	1,830,491	1,227,589
Net cash used in investing activities	(642,405)	(158,095)
Cash flows from financing activities		
Loan repayment	-	(64,166)
Net cash used in financing activities	-	(64,166)
Net increase (decrease) in cash	2,007,247	(4,142,531)
Cash, beginning	3,329,797	7,472,328
Cash, end	$ 5,337,044	$ 3,329,797
Supplemental disclosure of cash flow information		
Right-of-use assets obtained in exchange for operating lease liabilities	$ 481,635	$ 683,569

See Notes to Combined Financial Statements.

Note 1 - Description of the Organization

Jewish Association for Services for the Aged ("JASA Services") and Affiliate (collectively, "JASA" or the "Organization") was founded in 1968 by the UJA Federation of New York to provide comprehensive services to older adults living in New York City and Long Island. JASA Services' mission is to sustain and enrich the lives of the aging in the New York metropolitan area so that they can remain in the community with dignity and autonomy. Annually, JASA Services assists more than 43,000 older adults, their family members and others who care for them, through a comprehensive, integrated network of services that provides a range of community care. Programs include case management, licensed mental health services, legal services, community guardian, adult protective services, senior centers, home delivered meals, social adult day care and special services for caregivers and victims of elder abuse. JASA Services is a trusted community resource for the diverse senior population living in the New York metropolitan area. Service delivery is client-centered, through the provision of programs that meet the needs and preferences of both able and frail older adults and maximize opportunities for fulfillment and safety in the community.

JASA Housing Management Services for the Aged, Inc. ("JHM") is a not-for-profit corporation incorporated in the State of New York which develops and manages housing facilities for older adults.

JASA Services and JHM are each wholly controlled by the JASA Corporation, their sole member.

Note 2 - Summary of significant accounting policies

Principles of combination

The accompanying combined financial statements include the financial position, operating activities, and cash flows of JASA Services and JHM, which are related through common board membership. All significant intercompany accounts and transactions have been eliminated in the combination. Various expenses, including salaries, occupancy costs and administrative expenses have been allocated among JASA Services and JHM based upon services rendered by common personnel and usage of common facilities.

Basis of accounting

The combined financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Classification of net assets

Net assets and revenues, gain and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported in two categories of net assets as follows:

Without donor restrictions - net assets that are not subject to donor-imposed stipulations. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve.

With donor restrictions - net assets that are restricted by donor for use for a specific purpose or in a future period. Some donor-imposed restrictions are temporary in nature and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed.

Other donor-imposed restrictions on net assets included in this category are permanent in nature. These net assets have been restricted by the donor to be maintained by the Organization either in perpetuity or until released by specific action by the Organization's Board of Trustees in accordance with applicable law.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the combined financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Donor-restricted contributions whose restrictions expire during the same fiscal year are recognized as contributions without donor restrictions.

Use of estimates
The preparation of the combined financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash
The Organization considers all highly-liquid investments with original maturities of three months or less when purchased to be cash equivalents. Cash consists of cash deposited with major U.S. banks. The Organization had no cash equivalents as of June 30, 2023 and 2022.

Investments
Investments in debt securities are stated at their fair values in the combined statements of financial position.

Net investment return includes dividends, interest, and realized and unrealized gains and losses on investments carried at fair value. External and direct internal investment related expenses are netted against investment returns.

Net investment return is reflected in the combined statements of activities as with donor restrictions or without donor restrictions based upon the existence and nature of any donor or legally-imposed restrictions.

Investments in limited liability investment companies
The Organization's investments in limited liability investment companies (the "investment entities") are stated at fair value.

Investment entities are selected by the Investment Committee, which receives offering documents and performance history of each investment manager. The Investment Committee interviews the manager to determine whether the investment philosophy (particularly with respect to risk) and strategies of the investment entities are in the best interests of the Organization. Only after the Investment Committee makes a positive recommendation does the Organization invest in an investment entity. In addition, the actions of the Investment Committee are subject to review and approval by the Board of Trustees of the Organization.

Endowment

The Organization follows the provisions of the Not-for-Profit Entities Topic of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958, related to enhanced disclosures for endowment funds.

In furtherance of the Organization's mission, the overall goal of the endowment is to provide a stable source of financial support and liquidity. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Applicable law requires that all endowment funds be classified as net assets with donor restriction. In the endowment, these comprise two types of funds: (1) funds that have donor restrictions requiring that they be maintained in perpetuity and (2) funds that do not have donor restrictions as to the term for which such funds must be maintained prior to their appropriation for spending and which can be appropriated for spending by specific action of the Organization's Board of Trustees. In the latter instance, where there is no such explicit donor restriction within the gift instrument, the Organization has determined that it will prudentially classify the original value of a gift and any subsequent gifts made under the same instrument as subject to donor restriction given the totality of the circumstances of the gift. Accumulated earnings on the endowment are also classified as net assets with donor restriction until those amounts are appropriated for expenditure by the Organization.

Contributions receivable

Unconditional promises to give are recognized as contribution revenue in the period received and are classified based on the existence or absence of donor-imposed restrictions. Promises to give are recorded at net realizable value if expected to be collected in one year. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows.

Accounts receivable and allowance for doubtful accounts

The Organization uses the allowance method to account for uncollectible government grants, accounts and contributions receivable. The allowance for doubtful accounts is based on prior years' experience and management's analysis of possible bad debts. Accounts receivable is shown net of allowance for doubtful accounts of approximately $564,000 for each of the years ended June 30, 2023 and 2022, respectively. An allowance for doubtful accounts is not considered necessary for due from governmental agencies as of June 30, 2023 and 2022.

Amounts due from clients related to program service fee revenue consisted of the following for the years ended June 30, 2023 and 2022:

	2023	2022
Program service fees receivable, beginning of the year	$ 1,080,947	$ 749,520
Amounts collected	(4,514,557)	(3,484,877)
Amounts billed and recognized in program service fee revenue	4,697,451	3,816,304
Program service fees receivable, end of the year	$ 1,263,841	$ 1,080,947

Other amounts included in accounts receivable, net relate to grants and contributions and receivables from the Organization's stop-loss insurance.

Property and equipment and depreciation and amortization

Property and equipment, which includes land, leasehold improvements, furniture and equipment, computer equipment, software and website, and vehicles, are stated at cost, or for donated items, at the fair value of the asset on the date of the gift. Depreciation and amortization is calculated using the straight-line method based on the following estimated useful lives of the respective assets:

	Years
Leasehold improvements	4 - 10
Furniture and equipment	10
Computer equipment, software and website	3
Vehicles	5

Property and equipment are capitalized if the cost, or fair value at date of donation, is $5,000 or more and the useful life is greater than one year. Leasehold improvements are amortized over the life of the property or lease term, whichever is shorter. The cost of equipment and leasehold improvements financed by governmental funding sources is expensed when incurred if the contractual agreement specifies that title to these assets rests with the governmental funding source rather than the Organization.

The cost of assets sold or otherwise disposed of and the accumulated depreciation thereon are eliminated from the accounts and the resulting gain or loss is recorded except for assets traded where no cash is received. Expenditures for maintenance and repairs are expensed as incurred; replacements and betterments that extend the useful lives are capitalized.

Assets held for Guardianship clients

Assets held for numerous persons determined to be incapacitated under Article 81 of the New York State Mental Hygiene Law ("Guardianship clients") include funds held by the Organization in its capacity as Guardian, by appointment of the Supreme Court of the State of New York. Disbursements are made by the Organization to pay all expenditures on behalf of Guardianship clients.

Assets held for a specific purpose

Assets held for a specific purpose are funds held by the Organization for numerous Guardianship clients for burial costs.

Contributions

Unconditional contributions received without donor restrictions are recorded as revenue in the period received and are considered net assets without donor restrictions. Contributions are recorded net of estimated uncollectible amounts. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. The Organization's federal and state contracts and grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. The Organization records contributions as net assets with donor restrictions if they are received with donor stipulations that limit their use either through purpose or time restrictions.

The Organization reports gifts of property and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the

Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

In-kind contributions
Not-for-profit entities are required to record contributed goods and services revenue if those services create or enhance nonfinancial assets or are provided by individuals who possess specialized skills that would typically need to be purchased, if not provided by donation. Contributed goods and services were not material for the years ended June 30, 2023 and 2022.

Revenue recognition
Revenue is recognized when control of the promised service is transferred to the Organization's customers or outside parties in an amount that depicts the consideration the Organization expects to be entitled to in exchange for those services. Revenue is not recognized unless collectability under the contract is considered probable, the contract has commercial substance and the contract has been approved. Additionally, the contract must contain payment terms, as well as the rights and commitments of both parties.

Governmental support - The Organization receives a substantial portion of its revenue for services provided to approved clients from third-party reimbursement agencies; primarily the New York City Department for the Aging ("DFTA") and the New York City Human Resources Administration ("HRA"). Revenue from government grants and contracts is recognized as either exchange transactions or contributions. When the resource provider receives commensurate value in return for the resources transferred to the Organization, the revenue from the grant or contract is accounted for as an exchange transaction. For purposes of determining whether a transfer of asset is a contribution or an exchange, the Organization deems that the resource provider is not synonymous with the general public, i.e., indirect benefit received by the public as a result of the assets transferred is not deemed equivalent to commensurate value received by the resource provider. Moreover, the execution of a resource provider's mission or the positive sentiment from acting as a donor is not deemed to constitute commensurate value received by a resource provider. Revenue from grants and contracts that are accounted for as exchange transactions is recognized when performance obligations have been satisfied, typically when allowable expenditures have been incurred during the specified contract periods. Cash received in excess of revenue recognized is recorded as refundable advances. Costs are subject to audits by third-party payers and changes, if any, are recognized in the year that they are known to the Organization.

On the other hand, when the resource provider does not receive commensurate value, but still expends the funds to the Organization, the transaction is accounted for as a contribution. Typically, the grant and contract agreements contain a right of return or right of release from the respective obligation provision on the part of the resource provider and the Organization has limited discretion over how the funds transferred should be spent. As such, the Organization accounts for its revenue from government grants and contracts as conditional contributions and, therefore, recognizes revenue when the related barrier to entitlement has been overcome, which is primarily when the related expenses are incurred in accordance with the terms of the respective grant or contract agreement. If such conditions are not met during the specified periods in the contracts, the governmental entities are not obligated to expend the funds allotted under the contracts. Funds received in advance of conditions being met are reported as refundable advances in the combined statements of financial position.

Program service fees - Program service revenue includes estimated net realizable amounts to be received from third-party payers for services rendered by the Organization. Such revenue for the years ended June 30, 2023 and 2022 is principally related to individuals participating in the

Organization's clinic and other programs, who are covered principally by Medicare, Medicaid, and third-party payors. Generally, the Organization bills the individuals and third-party payors several days after the services are performed.

Revenue is recognized as performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided by the Organization. The Organization measures the performance obligation from the commencement of an outpatient service, to the point when it is no longer required to provide services to that patient, which is generally at the time of completion of the outpatient services.

Because all of its performance obligations relate to contracts with a duration of less than one year, the Organization has elected to apply the optional exemption provided in FASB ASC 606-10-50-14a 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 Organization's performance obligations consist primarily of outpatient services that occur within one day of a patient's visit; thus, there were no unsatisfied or partially unsatisfied performance obligations at the end of the reporting period.

Housing management fees - The Organization receives management fees from its affiliates which are reported on the combined statements of activities. Eight affiliated housing entities are charged management fees by JHM for various management services. Management fees are recognized when management services are performed.

Grant income - The Organization has an agreement with UJA Federation of New York in which it receives monthly and quarterly grant funds for services and other programs for older adults.

Functional expenses

The costs of supporting the various programs and other activities of the Organization have been summarized on a functional basis in the combined statements of functional expenses. Costs that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the program services, management and general, and fundraising categories based on time and effort measurements. Management and general expenses include costs not identifiable with any specific program, but which provide for the overall support and direction of the Organization. Fundraising costs are expensed as incurred, even though they may result in contributions received in future years.

Income taxes

JASA Services and JHM were incorporated in the State of New York and are exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code (the "IRC"). JASA Services and JHM have both been determined by the Internal Revenue Service (the "IRS") not to be "private foundations" within the meaning of Section 509(a) of the IRC. There was no unrelated business income for the years ended June 30, 2023 and 2022; therefore, there is no provision for income taxes in the accompanying combined financial statements.

Management has analyzed the tax positions taken by the Organization and has concluded that, as of June 30, 2023 and 2022, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability or asset or disclosure in the combined financial statements. The Organization's federal and state information returns filed prior to fiscal year 2020 are closed. Management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in the tax law and new authoritative rulings.

Concentrations of credit risk
Financial instruments that potentially subject the Organization to credit risk consist principally of cash and cash equivalents, investments, due from governmental agencies, accounts receivable and contributions receivable. The Organization maintains its cash in bank deposit accounts and money market accounts, the balances of which, at times, may exceed federally insured limits. Exposure to credit risk is reduced by placing such deposits in high quality financial institutions. Concentration of credit risk with respect to due from governmental agencies, accounts receivable and contributions receivable is limited due to the fact that the receivables are mainly derived from governmental agencies under separate contracts and that contributions receivable are mainly derived from established foundations and have short payment periods. Investments are exposed to various risks. The Organization historically reduces its exposure to these risks by placing a significant portion of its investments in money market accounts. However, due to the level of risk associated with certain of its other investments, it is at least reasonably possible that changes in the value of these investments will occur in the near term and that such changes could materially affect the combined financial statements.

New accounting pronouncement
The Organization adopted FASB Accounting Standards Update ("ASU") 2016-02 (as amended), *Leases* ("Topic 842") on July 1, 2021 ("adoption date") and elected to adjust comparative periods under the modified retrospective transition approach. Topic 842 requires lessees to recognize a right-of-use asset and a corresponding lease liability for most leases. The Organization elected and applied the following transition practical expedients when initially adopting Topic 842:

- The package of practical expedients permitting the Organization to not reassess (i) the lease classification of existing leases; (ii) whether existing and expired contracts are or contain leases; and (iii) initial direct costs for existing leases.

The Organization recognized the following as of the adoption date in connection with transitioning to Topic 842:

	As of July 1, 2021
Operating lease right-of-use asset	$ 22,290,297
Operating lease liability	$ 23,737,258

The Organization's adoption of Topic 842 also resulted in a decrease of $1,446,961 in deferred rent which was reclassified to the operating lease right-of-use assets at adoption. The adoption of Topic 842 did not have a material impact on the Organization's change in net assets for the year ended June 30, 2022.

The Organization presents its right-of-use assets and lease liabilities for its operating leases separately on its combined statements of financial position. See Note 11 regarding its operating right-of-use assets and operating lease liabilities.

Subsequent events
The Organization evaluated its June 30, 2023, combined financial statements for subsequent events through March 28, 2024, the date the combined financial statements were available to be issued.

Note 3 - Fair value measurements

Fair value measurements establish a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities ("Level 1") and the lowest priority to unobservable inputs ("Level 3"). The three levels of the fair value hierarchy are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted market prices for identical assets in active markets that the Organization has the ability to access.

Level 2: Inputs other than quoted prices include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full-term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Organization's holdings in certificates of deposit consist of FDIC insured investments with original maturities greater than 90 days that are carried at their aggregate fair values, determined by quoted market prices, and which can be liquidated daily. The valuation of the above is based on Level 1 inputs within the hierarchy used in measuring fair value.

Given the absence of market quotations, alternative investments in nonmarketable funds are reported at net asset value ("NAV") as a practical expedient to estimate the fair value of the Organization's interest therein. Their fair values are estimated using information provided to the Organization by the investment managers. Individual investment holdings within the alternative investments may include investments in both nonmarketable and market-traded securities. Nonmarketable securities may include equity in private companies, real estate, thinly-traded securities, and other investment vehicles. While the investments may indirectly expose the Organization to various financial instruments and varying degrees of risk, the Organization's exposure with respect to each such investment is limited to its carrying amount (fair value) in each investment. The financial statements of the investees are audited annually by nationally recognized firms of independent auditors. The Organization does not directly invest in the underlying securities of the investment funds and, due to certain restrictions on transferability and timing of withdrawals from the limited liability investment companies, the amounts realized upon liquidation could differ from reported values that are based on current conditions.

Below sets forth a table of assets measured at fair value as of June 30, 2023 and 2022:

	2023	
	Level 1	Total
Money market funds	$ 53,092	$ 53,092
Mutual funds	7,467,705	7,467,705
Totals	$ 7,520,797	7,520,797
Investments measured at NAV (a)		521
Total investments		$ 7,521,318

	2022	
	Level 1	Total
Money market funds	$ 50,917	$ 50,917
Mutual funds	5,555,141	5,555,141
Totals	$ 5,606,058	5,606,058
Investments measured at NAV (a)		1,270,260
Total investments		$ 6,876,318

(a) In accordance with Subtopic 820-10, certain investments that were measured at NAV per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the combined statements of financial position.

The following tables provide additional information about alternative investments measured using NAV as of June 30, 2023 and 2022, respectively:

Investments	Fair value as of June 30, 2023	Unfunded commitments	Redemption frequency	Other redemption restrictions	Redemption notice period
Other	$ 521	None	None	No redemptions are permitted.	N/A

Investments	Fair values as of June 30, 2022	Unfunded commitments	Redemption frequency	Other redemption restrictions	Redemption notice period
Millennium International Ltd.	$ 1,263,750	None	Annual	Redemptions occur on the anniversary of the initial subscription	90 days
Other	6,510	None	None	No redemptions are permitted.	N/A
	$ 1,270,260				

Millennium International Ltd. is a pooled hedge fund seeking returns by trading in equities, fixed income products, options, futures, and other financial instruments. This investment was fully liquidated during the year ended June 30, 2023.

Note 4 - Property and equipment, net

Property and equipment consists of the following as of June 30:

	2023	2022
Land	$ 1,495	$ 1,495
Leasehold improvements	517,608	456,370
Furniture and equipment	623,501	586,370
Computer equipment, software and website	832,931	832,931
Vehicles	1,043,211	753,287
	3,018,746	2,630,453
Less accumulated depreciation and amortization	2,323,724	2,224,505
Total property and equipment, net	$ 695,022	$ 405,948

Depreciation and amortization expenses for the years ended June 30, 2023 and 2022, were $99,219 and $113,754, respectively.

Note 5 - Related party transactions

The Organization is related to JHM, One Stop Senior Services, and eight housing entities through their sole member, JASA Corporation. The Organization is related to Services for the Aged through common board members. The housing entities operate apartment buildings located in New York City and are regulated by the United States Department of Housing and Urban Development ("HUD"). Brookdale Village Housing Corporation and Coney Island Site Nine Houses, Inc. are also regulated by the New York State Division of Housing and Community Renewal ("DHCR"). JHM provides management services to the eight housing entities through management agreements approved by HUD and/or DHCR. The Organization provides some services onsite at the housing entities, for which the Organization is reimbursed. JHM recognized housing management fee income of approximately $1,972,000 and $1,950,000 for the years ended June 30, 2023 and 2022, respectively. In addition, JHM recognized fees for other accounting services, which are included in program income on the combined statements of activities, in the amounts of $286,000 and $279,000 for the years ended June 30, 2023 and 2022, respectively. All such fees are regulated by HUD or DHCR, as applicable.

The amounts due from affiliates are primarily for unpaid management fees, accounting fees and insurance costs. For the years ended June 30, 2023 and 2022, administrative fees charged to Services for the Aged approximated $1,366,000 and $1,312,000, respectively.

During the years ended June 30, 2023 and 2022, the Organization paid office rent to its affiliate, One Stop Senior Services, in the amount of approximately $44,000 and $59,000, respectively.

During the years ended June 30, 2023 and 2022, JASA Corporation made grants to JASA Services and JHM amounting to approximately $6,584,000 and $6,351,000, respectively.

The following is a summary of related party receivables (payables):

	2023	2022
Due from (to) affiliates		
Services for the Aged	$ 1,516,496	$ 256,393
Brighton Beach Housing Development Fund Company, Inc.	265,131	53,287
Brookdale Village Housing Corporation	107,576	298,460
Coney Island Site Nine Houses, Inc.	59,493	58,697
Cooper Square Senior Housing LP	62,515	46,360
Israel Senior Citizens Housing Development Fund Corp	192,604	117,390
JASA Corporation	398,379	200,999
Manhattan Beach LP	53,234	46,953
One Stop Senior Services, Inc.	(20,863)	(20,972)
Positively Third Street Housing Development Fund Co., Inc.	24,175	25,650
Seagirt Housing LP	95,751	899,755
1490 Southern Boulevard - managed company	65,706	(4,928)
Total	$ 2,820,197	$ 1,978,044

Note 6 - Pension plan

The Organization is a participant in a pension plan that has been characterized for financial accounting purposes as a multi-employer pension plan. The Retirement Plan for Employees of United Jewish Appeal - Federation of Jewish Philanthropies on New York, Inc. and Affiliate Agencies and Institutions (the "Fund"), EIN 51-0172429, is a noncontributory, multi-employer defined benefit plan which covers eligible employees of the Organization. The risks of participating in multi-employer plans are different from single-employer plans in the following aspects:

- Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer stops contributing to the multi-employer plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- If one of the participating employers petitions to stop participating in the multi-employer plan, such employer may be required to pay the plan a withdrawal liability based on the funded status of the plan.

The Fund is designed to provide retirement benefits for its members, including the eligible employees of the Organization. Benefits are calculated utilizing specified percentages within the plan document.

The following table discloses the most recent funded status of the Fund, as of October 1, 2021 and 2020 (the dates of the latest actuarial valuation), inclusive of the fair value of plan assets as of September 30, 2021 and 2020, respectively:

Valuation date	EIN and Plan number	Fair value of Plan assets	Actuarial present value of accumulated Plan benefits	Total contributions	Funded status	Zone status
October 1, 2021	51-0172429, 333	$ 553,390,717	$ 559,450,666	$ 22,669,782	99%	Green
October 1, 2020	51-0172429, 333	$ 450,553,437	$ 543,785,531	$ 21,946,921	83%	Green

As of September 30, 2021 and 2020, the Fund has a certified green zone status as determined by the Fund's actuary. The Fund did not utilize any extended amortization provisions that would affect the calculation of its zone status. The zone status for the Fund's year ended September 30, 2022 was unavailable as of the report date.

The Organization is not required to file an annual zone certification under the Pension Protection Act of 2006 and disclosures concerning a financial improvement plan or rehabilitation plan are not applicable. The Fund is at least 99% funded using the most recent financial information as of September 30, 2021, the end of the Fund year.

The Organization's contributions to the Fund for the years ended June 30, 2023 and 2022, were approximately $1,232,000 and $1,201,000, respectively. The Organization's contributions for the Fund's years ended September 31, 2022 and 2021 represented approximately 6.5% of the total contributions for each of those years.

In addition, the Organization sponsors a defined contribution plan, under IRC 403(b), of which all employees are eligible to participate. Employees may defer a portion of their salaries up to the annual amount limited by the IRS. The Organization does not provide a matching contribution to this plan.

Note 7 - Concentrations and contingencies

Government funding

The Organization receives a substantial amount of its operating support from federal, state and local governments. Any significant reduction in the level of this support could have an effect on the programs the Organization provides. For the years ended June 30, 2023 and 2022, approximately 93% and 95% of the government revenue, respectively, was earned through contracts with the City of New York (which includes federal and state pass-through awards). These contractual agreements are on a reimbursement basis, which requires performance of certain services by the Organization before revenue can be recognized.

Pursuant to the contractual agreements with the governmental funding sources, governmental agencies have the right to examine the books and records of the Organization involving transactions related to these contracts. In the opinion of management, disallowances, if any, would not be material to the Organization's financial position.

Litigation

The Organization is a defendant in various legal actions in the normal course of its operations. Although the final outcome of such actions cannot currently be determined, the Organization's management believes that the eventual liability to the Organization, if any, will be immaterial.

Note 8 - Endowment funds

Interpretation of relevant law

The New York Prudent Management of Institutional Funds Act ("NYPMIFA") was enacted in September 2010. The Organization has interpreted NYPMIFA as requiring the preservation of the original gift, as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets: (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions perpetual in nature is classified as net assets with program restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by NYPMIFA. In accordance with NYPMIFA, the Board of Trustees considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purpose of the Organization and the donor-restricted endowment fund;
- General economic conditions;
- The possible effects of inflation and deflation;
- The expected total return from income and the appreciation of investments;
- Other resources of the Organization;
- The investment policies of the Organization; and
- Where appropriate, alternatives to spending from donor-restricted endowment funds and the possible effects on the Organization.

Spending policy, return objectives and risk parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Investment Committee, the endowment assets are invested in a manner that is intended to provide, in priority order: 1) safety of principal; 2) liquidity for operating needs; 3) diversification of risk; and 4) maximization of yield.

Strategies employed for achieving objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy designed to provide a reasonable level of annual distributions to general operating funds and to provide for the long-term preservation of its endowment funds.

The investment strategy of the Organization is based on a disciplined, consistent, and diversified approach utilizing multiple asset classes and multiple managers, as appropriate. The intent is to accommodate and consider diverse strategies deemed reasonable and prudent.

Invested assets are managed in a socially responsible manner with the goal of protecting principal while generating income appropriate to conservative investment strategy with strict fiscal principles.

Changes in endowment net assets for the year ended June 30, 2023 are as follows:

	With donor restrictions		
	Program restrictions	Perpetual in nature	Total
Endowment net assets, beginning of year	$ (138,822)	$ 1,216,394	$ 1,077,572
Realized and unrealized investment income	82,734	-	82,734
	$ (56,088)	$ 1,216,394	$ 1,160,306

Changes in endowment net assets for the year ended June 30, 2022 are as follows:

	With donor restrictions		
	Program restrictions	Perpetual in nature	Total
Endowment net assets, beginning of year	$ -	$ 1,216,394	$ 1,216,394
Realized and unrealized investment income	(138,822)	-	(138,822)
	$ (138,822)	$ 1,216,394	$ 1,077,572

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the historical dollar value of the funds. In accordance with U.S. GAAP, deficiencies of this nature are reported in net assets with donor restrictions. These deficiencies resulted from unfavorable market fluctuations that occurred during the year. Subsequent gains that restore the fair value of the net assets of the endowment funds to the original level will be classified as an increase in net assets with donor restrictions. As of June 30, 2023 and 2022, the amount by which funds were underwater were $56,088 and $138,822, respectively.

Note 9 - Net assets

Without donor restrictions

Net assets without donor restrictions are broken out into two categories which are undesignated and board designated - operating reserve. The undesignated funds are fully available to the Organization without any restrictions or permissions from the Board of Trustees. Included in that amount, is a working capital fund set aside to supplement cash flow needs due to funder reimbursement timing issues. Once the reimbursement receivables are paid, the money is replenished back to the working capital fund. The working capital fund does not require any board approvals to use. The board designated - operating reserve fund requires finance committee approval prior to accessing funds but are not restricted in any way for use or specific programs.

With donor restrictions
Net assets with donor restrictions are available for use in future periods to offset expenses and are available by program service and program as restricted by the respective donors as follows as of June 30:

	2023	2022
Sundays at JASA	$ 56,116	$ 56,116
Client financial assistance	16,398	32,431
Elder abuse and legal assistance	-	112,500
Community health	99,817	33,045
Home delivered meals	33,216	1,730
Senior centers	56,312	55,579
Information and assistance	65,397	86,308
Technology initiative	1,403	36,316
Social work education and research	321,117	500,000
Others	165,360	110,525
	815,136	1,024,550
Endowment fund	1,160,306	1,077,572
	$ 1,975,442	$ 2,102,122

Net assets with donor restrictions were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the passage of time. The net assets released from restrictions for the years ended June 30, 2023 and 2022, by program service and program, were as follows:

	2023	2022
COVID-19	$ -	$ 375
Client financial assistance	16,033	-
Elder abuse and legal assistance	172,500	37,500
Community health	73,228	16,955
Home delivered meals	52,145	68,770
Senior centers	35,509	-
Time restricted	-	250,000
Information and assistance	110,911	78,692
Technology initiative	49,913	3,684
Social work education and research	178,883	-
Others	48,918	7,629
	$ 738,040	$ 463,605

Note 10 - Collective bargaining agreement

Substantially all of the Organization's nonmanagement employees are covered by a collective bargaining agreement. The agreement with New York's Community and Social Agency Employees Union District Council 1707 ("DC 1707") was effective through June 30, 2018. In July 2019, the Organization signed a memorandum of understanding with DC 1707 to extend the collective bargaining agreement to June 30, 2021. Currently, the Organization is operating under the terms of the existing agreement and ratified a new agreement in August 2023.

Note 11 - Leases

The Organization leases office and program spaces under several operating leases, which expire at various times through September 2032. All contracts that implicitly or explicitly involve property and equipment are evaluated to determine whether they are or contain a lease.

At lease commencement, the Organization recognizes a lease liability, which is measured at the present value of future lease payments, and a corresponding right-of-use asset equal to the lease obligation, adjusted for prepaid lease costs, initial direct costs, and lease incentives. The Organization has elected and applies the practical expedient available to lessees to combine nonlease components with their related lease components and account for them as a single combined lease component for its leases. The Organization remeasures its lease liabilities and right-of-use assets whenever there is a change to the lease term and/or there is a change in the amount of future lease payments, but only when such modification does not qualify to be accounted for as a separate contract.

For accounting purposes, the Organization's leases commence on the earlier of (i) the date upon which the Organization obtains control of the underlying asset and (ii) the contractual effective date of a lease. Lease commencement for the Organization's leases coincide with the contractual effective dates. The Organization's leases have a minimum base term with a renewal option or fixed term with an early termination option. Such renewal and early termination options are exercisable at the option of the Organization and, when exercised, usually provide for rental payments during the extension period at then current market rates or at pre-determined rental amounts.

Unless the Organization determines that it is reasonably certain that the term of a lease will be extended, such as through the exercise of a renewal option or nonexercise of an early termination option, the term of a lease begins at lease commencement and spans for the duration of the minimum noncancellable contractual term. When the exercise of a renewal option or nonexercise of an early termination option is reasonably certain, the lease term is measured as ending at the end of the renewal period or on the date an early termination may be exercised.

The Organization includes variable rental payments based on a rate or an index such as the Consumer Price Index in its measurement of lease payments based on the rate or index in effect at lease commencement. Other types of variable lease payments are expensed as incurred.

Leases involving real estate

Leases of program centers and the Organization's headquarters have lease terms that range from 2 to 13 years, which terms have been incorporated into the measurement of the related right-of-use assets and lease liabilities. Although most of the Organization's real estate leases include one or more options to renew that can extend the contractual terms, those renewal options are exercisable solely at the Organization's discretion and have been excluded from lease term measurements. The Organization's real estate leases generally require reimbursement of real estate taxes, common area maintenance, and insurance.

Rental payments on these leases provide for fixed minimum payments that increase over the lease terms at predetermined amounts. Rent expense is recognized using the straight-line method over the terms of the leases. Variable rental payments for taxes and other charges are recognized as occupancy expenses when incurred.

Leases with related parties
On November 21, 2016, the Organization entered into a Letter of Understanding with Services for the Aged, an affiliate, to sublease office space. The lease term commenced on November 31, 2016 and terminates May 31, 2032. During the year ended June 30, 2023, the sublease payments were modified from July 1, 2022 through the end of the sublease term. Rental income collected from Services for the Aged is included in occupancy expenses in the combined statements of functional expenses.

As stated in Note 5, the Organization leased program space from One Stop Senior Services, an affiliate. The lease was cancellable at any time. The Organization elected to not recognize a lease liability and right-of-use asset for this short-term lease.

Financial information
The following provides information about the Organization's right-of-use assets and lease liabilities for its operating leases as of June 30, 2023 and 2022:

	Combined Statements of Financial Position Classification	2023	2022
Right-of-use assets			
Operating leases	Operating right-of-use assets	$ 19,085,956	$ 20,864,769
Lease liabilities			
Operating leases	Operating lease liability, current	$ 2,233,334	$ 2,113,260
Operating leases	Operating lease liability, noncurrent	18,558,097	20,349,189
Total lease liabilities		$ 20,791,431	$ 22,462,449

The components of the Organization's lease costs for its office and program spaces for the years ended June 30, 2023 and 2022 are as follows:

	Combined Statements of Functional Expenses Classification	2023	2022
Operating lease cost, net			
Rent expense	Occupancy	$ 2,579,118	$ 2,526,027
Short term leases (1)	Occupancy	926,577	1,035,202
Variable/contingent rents	Occupancy	692,484	646,979
Sublease (income)	Occupancy	(312,248)	(329,184)
Net operating lease cost		$ 3,885,931	$ 3,879,024

(1) The Organization has elected to apply the short-term lease practical expedient to its leases of certain program spaces.

The weighted average remaining lease term and weighted average discount rate for the Organization's leases as of June 30, 2023 and 2022 are as follows:

	2023	2022
Weighted average remaining term (in years)	8.7	9.7
Weighted average discount rate (1)	1.51%	1.45%

(1) The Organization has elected to use the risk-free rate as the discount rate for its leases involving its office and program spaces. The Organization uses rates on U.S. government securities for periods comparable with lease terms as the risk-free rate.

The annual maturity analysis of the Organization's lease obligation as of June 30, 2023 is as follows:

2024	$ 2,530,112
2025	2,560,670
2026	2,557,163
2027	2,574,124
2028	2,399,476
Thereafter	9,755,920
Total lease payments	22,377,465
Less interest	(1,586,034)
Present value of lease liabilities	20,791,431
Less: current portion of lease liabilities	(2,233,334)
Noncurrent portion of lease liabilities	$ 18,558,097

The above lease commitments will be offset by payments received under the sublease with a related party described above as follows:

2024	$ 320,055
2025	328,056
2026	336,257
2027	346,493
2028	375,270
Thereafter	1,527,517
Total lease receipts	$ 3,233,648

Note 12 - Availability and liquidity

As of June 30, 2023 and 2022, the following represents the Organization's liquidity resources and financial assets available within one year of the dates of financial position for general expenditures, such as operating expenses:

	2023	2022
Financial assets, at year end		
Cash	$ 5,337,044	$ 3,329,797
Investments	7,521,318	6,876,318
Due from governmental agencies	10,154,357	5,635,877
Accounts receivable, net	6,380,516	10,963,965
Due from affiliates, net	2,820,197	1,978,044
Total financial assets	32,213,432	28,784,001
Less amounts not available to be used within one year		
Investments in limited liability investment companies (see Note 3)	521	6,510
Net assets with donor restrictions	1,975,442	2,102,122
Financial assets available to meet general expenditures over the next 12 months	$ 30,237,469	$ 26,675,369

The board-designated operating reserve in the amount of $6,384,143 can be appropriated for general expenditure, if necessary, by approval of the Board of Trustees.

Supplemental Information

Jewish Association for Services for the Aged and Affiliate

Combining Statement of Financial Position
June 30, 2023

Assets	JASA Services	JHM	Eliminations	Total
Current assets				
Cash	$ 4,338,459	$ 998,585	$ -	$ 5,337,044
Investments at fair value	7,520,797	-	-	7,520,797
Due from governmental agencies	10,154,357	-	-	10,154,357
Accounts receivable, net	6,380,516	-	-	6,380,516
Due from affiliates, net	2,566,775	582,568	(329,146)	2,820,197
Prepaid expenses and other assets	992,161	30,227	-	1,022,388
Total current assets	31,953,065	1,611,380	(329,146)	33,235,299
Noncurrent assets				
Investments in limited liability investment companies	521	-	-	521
Property and equipment, net	692,022	3,000	-	695,022
Assets held for a specific purpose	699,492	-	-	699,492
Assets held for Guardianship clients and others	7,897,373	-	-	7,897,373
Right-of-use asset	19,085,956	-	-	19,085,956
Total noncurrent assets	28,375,364	3,000	-	28,378,364
Total assets	$ 60,328,429	$ 1,614,380	$ (329,146)	$ 61,613,663
Liabilities and Net Assets				
Current liabilities				
Accounts payable and accrued expenses	$ 3,366,258	$ 28,562	$ -	$ 3,394,820
Accrued payroll and payroll taxes	3,661,879	322,818	-	3,984,697
Due to affiliates	-	329,146	(329,146)	-
Lease liabilities, current	2,233,334	-	-	2,233,334
Refundable advances and other liabilities	4,769,857	-	-	4,769,857
Total current liabilities	14,031,328	680,526	(329,146)	14,382,708
Noncurrent liabilities				
Lease liabilities, noncurrent	18,558,097	-	-	18,558,097
Amounts held for a specific purpose	699,492	-	-	699,492
Due to Guardianship clients and others	7,897,373	-	-	7,897,373
Total noncurrent liabilities	27,154,962	-	-	27,154,962
Total liabilities	41,186,290	680,526	(329,146)	41,537,670
Net assets				
Without donor restrictions				
Undesignated	10,782,554	933,854	-	11,716,408
Board designated - operating reserve	6,384,143	-	-	6,384,143
	17,166,697	933,854	-	18,100,551
With donor restrictions	1,975,442	-	-	1,975,442
Total net assets	19,142,139	933,854	-	20,075,993
Total liabilities and net assets	$ 60,328,429	$ 1,614,380	$ (329,146)	$ 61,613,663

See Independent Auditor's Report.

Jewish Association for Services for the Aged and Affiliate

Combining Statement of Activities
Year Ended June 30, 2023

	JASA Services			JHM		Total		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	Eliminations	Without donor restrictions	With donor restrictions	Total
Support and revenues								
Private support								
UJA - Federation of New York grants	$ 3,087,029	$ -	$ 3,087,029	$ -	$ -	$ 3,087,029	$ -	$ 3,087,029
Contributions	2,240,676	528,626	2,769,302	5,252	-	2,245,928	528,626	2,774,554
JASA Corporation grants	4,306,096	-	4,306,096	2,277,484	-	6,583,580	-	6,583,580
Meals on Wheels grants	1,354,776	-	1,354,776	-	-	1,354,776	-	1,354,776
Special events	686,850	-	686,850	30,000	-	716,850	-	716,850
Less cost of direct benefits to donors	(172,623)	-	(172,623)	-	-	(172,623)	-	(172,623)
Legacies and bequests	1,000	-	1,000	-	-	1,000	-	1,000
Total private support	11,503,804	528,626	12,032,430	2,312,736	-	13,816,540	528,626	14,345,166
Governmental support	41,235,646	-	41,235,646	-	-	41,235,646	-	41,235,646
Total private and governmental support	52,739,450	528,626	53,268,076	2,312,736	-	55,052,186	528,626	55,580,812
Revenues								
Program service fees	8,120,634	-	8,120,634	286,428	(2,054,434)	6,352,628	-	6,352,628
Housing management fees	-	-	-	1,972,416	-	1,972,416	-	1,972,416
Client fees	371,579	-	371,579	-	-	371,579	-	371,579
Miscellaneous	29,559	-	29,559	2,636	-	32,195	-	32,195
Investment income, net	490,317	82,734	573,051	-	-	490,317	82,734	573,051
Total revenues	9,012,089	82,734	9,094,823	2,261,480	(2,054,434)	9,219,135	82,734	9,301,869
Net assets released from restrictions	738,040	(738,040)	-	-	-	738,040	(738,040)	-
Total support and revenues	62,489,579	(126,680)	62,362,899	4,574,216	(2,054,434)	65,009,361	(126,680)	64,882,681
Expenses								
Program services	45,767,782	-	45,767,782	-	-	45,767,782	-	45,767,782
Total program services	45,767,782	-	45,767,782	-	-	45,767,782	-	45,767,782
Supporting services								
Management and general - JASA	14,341,665	-	14,341,665	-	-	14,341,665	-	14,341,665
Management and general - JHM	-	-	-	4,507,734	(2,054,434)	2,453,300	-	2,453,300
Fundraising	485,279	-	485,279	-	-	485,279	-	485,279
Total supporting services	14,826,944	-	14,826,944	4,507,734	(2,054,434)	17,280,244	-	17,280,244
Total expenses	60,594,726	-	60,594,726	4,507,734	(2,054,434)	63,048,026	-	63,048,026
Changes in net assets	1,894,853	(126,680)	1,768,173	66,482	-	1,961,335	(126,680)	1,834,655
Net assets, beginning	15,271,844	2,102,122	17,373,966	867,372	-	16,139,216	2,102,122	18,241,338
Net assets, end	$ 17,166,697	$ 1,975,442	$ 19,142,139	$ 933,854	$ -	$ 18,100,551	$ 1,975,442	$ 20,075,993

See Independent Auditor's Report.

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