Network of Jewish Human Service Agencies
[a Non-Profit Organization]

Financial Statements

Years Ended December 31, 2022 and 2021

Network of Jewish Human Service Agencies
[a Non-Profit Organization]

Financial Statements

Years Ended December 31, 2022 and 2021

C O N T E N T S

Independent Auditor's Report

Board of Directors
Network of Jewish Human Service Agencies
Paramus, New Jersey

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Network of Jewish Human Service Agencies [a Non-Profit Organization) (the "Organization"), which comprise the statements of financial position as of December 31, 2022 and 2021, the related statements of activities and changes in net assets, 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 the Organization as of December 31, 2022 and 2021, and the results of its operations 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 audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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 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 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are issued or 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 and Government Auditing Standards, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 20, 2023 on our consideration of the organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the organization's internal control over financial reporting and compliance.

Sax LLP

Parsippany, New Jersey
November 20, 2023

Network of Jewish Human Service Agencies
[a Non-Profit Organization]

Statements of Financial Position

	December 31, 2022	December 31, 2021
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 3,334,632	$ 3,037,586
Grant receivable, net	579,461	1,362,705
Investments	233,889	249,916
Prepaid expenses and other assets	95,591	41,007
Total current assets	4,243,573	4,691,214
PROPERTY AND EQUIPMENT, NET	47,469	2,708
TOTAL ASSETS	**$ 4,291,042**	**$ 4,693,922**
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 163,767	$ 74,921
Deferred revenue	29,300	320,695
Contract liabilities	405,872	458,915
Total current liabilities	598,939	854,531
NET ASSETS		
Without donor restrictions	2,258,575	1,917,564
With donor restrictions	1,433,528	1,921,827
Total net assets	3,692,103	3,839,391
TOTAL LIABILITIES AND NET ASSETS	**$ 4,291,042**	**$ 4,693,922**

See accompanying Notes to Financial Statements.

Network of Jewish Human Service Agencies
[a Non-Profit Organization]

Statement of Activities and Changes in Net Assets

Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND OTHER SUPPORT			
Membership dues	$ 836,127	$ -	$ 836,127
Grants and contributions	1,417,870	880,151	2,298,021
Alliance and Federation Allocations	161,851	-	161,851
Conference fees	269,838	-	269,838
Sponsorships	283,000	-	283,000
Miscellaneous	13,642	-	13,642
Total revenue and other support	2,982,328	880,151	3,862,479
FUNCTIONAL EXPENSES			
Program expenses	3,448,867	-	3,448,867
Management and general expenses	363,252	-	363,252
Fundraising expenses	156,320	-	156,320
Total functional expenses	3,968,439	-	3,968,439
Net assets released from restriction	1,368,450	(1,368,450)	-
Change in net assets before investment income	**382,339**	**(488,299)**	**(105,960)**
Investment (loss)	(41,328)	-	(41,328)
Change in net assets	**341,011**	**(488,299)**	**(147,288)**
NET ASSETS, *beginning of year*	1,917,564	1,921,827	3,839,391
NET ASSETS, *end of year*	**$ 2,258,575**	**$ 1,433,528**	**$ 3,692,103**

See accompanying Notes to Financial Statements.

Network of Jewish Human Service Agencies
[a Non-Profit Organization]

Statement of Activities and Changes in Net Assets

Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND OTHER SUPPORT			
Membership dues	$ 744,662	$ -	$ 744,662
Grants and contributions	1,681,006	3,005,000	4,686,006
Federation Allocations	133,831	-	133,831
Conference fees	90,769	-	90,769
Sponsorships	78,000	-	78,000
Miscellaneous	76,443	-	76,443
Total revenue and other support	2,804,711	3,005,000	5,809,711
FUNCTIONAL EXPENSES			
Program expenses	2,244,142	-	2,244,142
Management and general expenses	257,888	-	257,888
Fundraising expenses	90,357	-	90,357
Total functional expenses	2,592,387	-	2,592,387
Net assets released from restriction	1,129,006	(1,129,006)	-
Change in net assets before investment income	**1,341,330**	**1,875,994**	**3,217,324**
Investment income	28,374	-	28,374
Change in net assets	**1,369,704**	**1,875,994**	**3,245,698**
NET ASSETS, *beginning of year*	547,860	45,833	593,693
NET ASSETS, *end of year*	**$ 1,917,564**	**$ 1,921,827**	**$ 3,839,391**

See accompanying Notes to Financial Statements.

Network of Jewish Human Service Agencies
[a Non-Profit Organization]

Statement of Functional Expenses

Year Ended December 31, 2022

	Program Services	Supporting Services		
	Program	Fundraising	Management and General	Total
Office salaries	$ 972,241	$ 109,084	$ 140,837	$ 1,222,162
Payroll taxes and employee benefits	185,408	20,803	26,857	233,068
Telephone	2,329	777	777	3,883
Professional fees	114,458	8,692	102,703	225,853
Travel	2,676	-	2,676	5,352
Conferences and conventions	322,106	-	6,658	328,764
Rent	8,280	3,450	2,070	13,800
Advertising	2,798	1,200	-	3,998
Grant expense	1,797,754	-	-	1,797,754
Dues and subscriptions	11,784	7,070	4,713	23,567
Equipment rental	916	550	366	1,832
Membership/direct response marketing	2,255	1,353	8,928	12,536
Licenses and insurance	6,339	295	6,044	12,678
Bank fees	15,050	793	600	16,443
Miscellaneous	267	476	58,527	59,270
Office supplies	1,405	843	562	2,810
Total expenses before depreciation	3,446,066	155,386	362,318	3,963,770
Depreciation	2,801	934	934	4,669
Total functional expenses	**$ 3,448,867**	**$ 156,320**	**$ 363,252**	**$ 3,968,439**

See accompanying Notes to Financial Statements.

Network of Jewish Human Service Agencies
[a Non-Profit Organization]

Statement of Functional Expenses

Year Ended December 31, 2021

	Program Services	Supporting Services		
	Program	Fundraising	Management and General	Total
Office salaries	$ 468,067	$ 54,055	$ 130,274	$ 652,396
Payroll taxes and employee benefits	103,657	13,140	29,199	145,996
Telephone	1,276	425	425	2,126
Professional fees	293,434	8,907	82,862	385,203
Office expenses	1,775	-	-	1,775
Travel	1,599	-	-	1,599
Conferences and conventions	114,002	-	-	114,002
Rent	6,900	4,140	2,760	13,800
Advertising	4,920	-	-	4,920
Bad debt expense	1,190,023	-	-	1,190,023
Dues and subscriptions	8,348	5,009	3,339	16,696
Equipment rental	699	419	280	1,398
Membership/direct response marketing	2,735	1,641	1,094	5,470
Licenses and insurance	5,424	-	5,423	10,847
Bank fees	11,375	-	-	11,375
Miscellaneous	23,812	124	83	24,019
Office supplies	1,744	1,046	698	3,488
Total expenses before depreciation	2,239,790	88,906	256,437	2,585,133
Depreciation	4,352	1,451	1,451	7,254
Total functional expenses	**$ 2,244,142**	**$ 90,357**	**$ 257,888**	**$ 2,592,387**

See accompanying Notes to Financial Statements.

Network of Jewish Human Service Agencies
[a Non-Profit Organization]

Statements of Cash Flows

Year Ended December 31, 2022

	Years Ended December 31,	
	2022	**2021**
CASH FLOWS PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
Change in net assets	$ (147,288)	$ 3,245,698
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities		
Realized and unrealized loss (gain) on investments	43,140	(24,139)
Depreciation	4,669	7,254
Forgiveness of Paycheck Protection Program ("PPP") loan	-	(74,400)
(Increase) decrease in assets		
Accounts receivable	(750)	750
Grant receivable	783,994	(1,358,542)
Prepaid expenses and other	(54,584)	(1,656)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	88,846	(15,374)
Contract liabilities	(344,438)	74,355
	373,589	**1,853,946**
CASH FLOWS PROVIDED BY (USED FOR) INVESTING ACTIVITIES		
Purchase of property and equipment	(49,430)	(3,408)
Purchase of investments	(27,113)	(249,996)
Sale of investments	-	223,235
	(76,543)	**(30,169)**
Net increase in cash and cash equivalents	**297,046**	**1,823,777**
CASH AND CASH EQUIVALENTS, *beginning of year*	3,037,586	1,213,809
CASH AND CASH EQUIVALENTS, *end of year*	**$ 3,334,632**	**$ 3,037,586**

See accompanying Notes to Financial Statements.

Note 1 - Organization and Summary of Significant Accounting Policies

a. Nature of the Organization

The Network of Jewish Human Service Agencies (the "Organization" or "Network") was formed in May 2017 when the two leading Jewish services associations - the Association of Jewish Family and Children's Agencies ("AJFCA") and the International Association of Jewish Vocational Services ("IAJVS") - merged into one entity.

The Network is an international membership association of more than 170 not-for-profit human service agencies in the United States, Canada, and Israel. Its members provide a full range of human services for the Jewish community and beyond, including healthcare, career, employment, and mental health services, as well as programs for youth, families, and seniors, Holocaust survivors, immigrants and refugees, persons with disabilities, and caregivers.

The Network strives to be the leading voice for the Jewish human service sector. As the go-to resource for advocacy, best practices, innovation and research, partnerships, and collaborations, the Network strengthens agencies, so they can better serve their communities.

b. Basis of Presentation

The accompanying financial statements are presented in accordance with the accrual basis of accounting, whereby revenue is recognized when earned, and expenses are recognized when incurred.

The financial statement presentation is in accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958, *Not-for-profit Entities*. In order to observe restrictions which donors place on grants and other gifts, support and revenue are accounted for in the following net asset classifications:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions and may be designated for specific purposes or locations by actions of the Board of Directors.

Net Assets With Donor Restrictions - Net assets that are subject to donor-imposed restrictions and that will be fulfilled either by actions of NJHSA or the passage of time or that include a stipulation that assets provided be retained and invested in perpetuity while permitting NJHSA to use all or part of the investment return on these assets for specified or unspecified purposes.

c. Cash and Cash Equivalents

The Organization considers all short-term highly liquid investments with an original maturity of three months or less to be cash and cash equivalents.

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

d. Accounting Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

e. Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to expense and a credit to an allowance for bad debt based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance for doubtful accounts and a credit to accounts receivable. The allowance for doubtful accounts totaled $0 and $750 for each of the years ended December 31, 2022 and 2021, respectively.

f. Property and Equipment

Property and equipment are recorded at cost. The cost is depreciated over the estimated useful lives, ranging from three to five years, utilizing the straight-line method. Additions and improvements are capitalized over a threshold of $1,500, whereas costs of maintenance and repairs are charged to expense as incurred.

g. Newly Adopted Accounting Pronouncements

In February 2016, the FASB issued ASC Topic 842, *Leases*, to increase transparency and comparability among organizations related to their leasing arrangements. The update requires lessees to recognize most leases on their balance sheets as a right-of-use ("ROU") asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Topic 842 also requires additional disclosure of key quantitative and qualitative information for leasing arrangements. Similar to the previous lease guidance, the update retains a distinction between finance leases (similar to capital leases in Topic 840, *Leases*) and operating leases, with classification affecting the pattern of expense recognition in the income statement. The Organization adopted Topic 842 on January 1, 2022, using the optional transition method to the modified retrospective approach, which eliminates the requirement to restate the prior-period financial statements. Under this transition provision, the Organization has applied Topic 842 to reporting periods beginning on January 1, 2022 while prior periods continue to be reported and disclosed in accordance with the Organization's historical accounting treatment under ASC Topic 840, *Leases*. The adoption of the standard did not have a material effect on the financial statements.

h. Revenues and Support Recognition

The Organization derives its revenue primarily from collecting membership dues, grants and contributions, and conference fees. Under ASC 606, revenue is recognized when performance obligations are satisfied, and revenue is earned for each of the major revenue categories. The Organization also applies the guidance under ASC Topic 958 - *Not-Profit Entities,* to recognize support received that is not subject to revenue recognition under ASC 606.

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

h. Revenues and Support Recognition - Continued

Membership Dues and Conference Fees

Revenue for annual membership dues is billed annually and recognized over the membership period based upon the year to which the membership dues relate. The membership dues period coincides with the calendar year, which is also the Organization's fiscal year, and therefore all revenue is recognized by the end of the membership period. Billings for recurring members occur in advance of the calendar year dues period, and therefore membership dues collected in advance of the dues period are recognized as deferred revenue until earned in the applicable dues period. New members who join after the annual membership period has begun are prorated a membership dues amount for the remainder of the period.

Dues are assessed to each member agency based on a percentage of personnel costs resulting in a minimum dues amount of $500 not to exceed $12,500.

Revenue for conference fees is billed in advance and recognized at a point in time when the performance obligation is met, and the meeting takes place. Unearned revenues received in advance of the performance obligation being met are recognized as a liability until the event takes place and the performance obligation is met.

Grants and Contributions

Funding received from government grant agencies are cost reimbursement in nature. Grant agencies are not directly receiving commensurate value for the services provided to consumers; therefore, grant revenue follows recognition guidance under ASC 958. Funds received from government agencies are required to be spent in accordance with the approved budget and allowable cost guidelines from the federal government, therefore, making the funding received a conditional contribution under ASC 2018-08 guidance. Revenue is recognized as conditions are met and services are provided to consumers. Private grants and contributions, also considered to be conditional, will be recognized as revenue upon the satisfaction of conditions. Government or private grant dollars received in advance of conditions being met are recorded as deferred revenue until conditions are satisfied and revenue can be recognized.

The Organization recognizes private grants and contributions as revenue when the award is received if they are deemed unconditional. Private grants and contributions with donor stipulations are reported as restricted support. When a donor restriction expires, that is, when a 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 and changes in net assets as net assets released from restrictions. However, restricted contributions whose restrictions expire or are otherwise satisfied within the period are reported as unrestricted revenue in the statements of activities and changes in net assets.

The Organization received grant revenue totaling approximately $2.5 million in 2022 and $4.7 million in 2021. While the full amount of the revenue for these awards was recognized in that period, the expense for multi-year grants will be recognized as it is incurred, and revenue is released from restriction.

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

h. Revenues and Support Recognition - Continued

Federation Allocation

Alliance and Federation Allocation revenue consists of funds received from other organizations and follows the accounting guidance for Grants and Contributions.

i. Income Tax Status

The Organization is a non-profit corporation, exempt from federal income taxes under Section 501 (c)(3) of the Internal Revenue Code. Accordingly, no provision for federal or state income taxes has been recorded in the financial statements.

Management evaluated the Organization's tax positions and concluded that the Organization had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. With few exceptions, the Organization is not subject to income tax examinations by the U.S. federal, state, or local tax authorities unless the Organization was engaged in activities that would generate unrelated business income.

i. Functional Expenses

The cost of providing the various programs and supporting services has been summarized on a functional basis in the statements of activities and changes in net assets and in the statements of functional expenses. Accordingly, certain expenses have been allocated among the programs and supporting services benefited based upon employee time on functions relating to the specific activity, or in the case of shared expense, using an allocation based on management's estimation of personnel costs, usage, or other relevant bases. Depreciation is allocated based on the function the asset services.

j. Concentration of Credit Risk

The Network maintains its temporary cash and money market accounts with creditworthy, high quality financial institutions. At times, these accounts may exceed Federal Deposit Insurance Corporation ("FDIC") insured limits.

The Organization also received approximately 23% of total revenue and support from one revenue source. Amount outstanding in receivables was approximately $464,000, or 80% of total accounts receivable.

k. Evaluation of Subsequent Events

The Organization evaluated subsequent events through November 20, 2023, the date the financial statements were available to be issued.

Note 2 - Liquidity and Availability

The following reflects the Organization's financial assets as of December 31, 2022 and 2021 reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the financial position date.

	December 31, 2022	December 31, 2021
Financial assets, at year end	$ 4,147,982	$ 4,650,207
Less those funds unavailable for general expenditures within one year due to		
Net assets with donor restrictions	(1,433,528)	(1,921,827)
Financial assets available to meet cash needs for general expenditures within one year	$ 2,714,454	$ 2,728,380

In the event of an unanticipated liquidity need, the Organization could also draw upon its available line of credit.

Note 3 - Investments

Investments consist of the following as of December 31, 2022 and 2021:

	Years Ended December 31, 2022 Fair Value	2021 Fair Value
Jewish Community Investment Fund	$ 233,889	$ 249,916
Total investments	$ 233,889	$ 249,916

The investment in the Jewish Community Investment Fund is an investment fund in which Network has the right to a percentage share of the fund. The investment is considered a Level 3 investment in which the cost basis is not available. (See Fair Value Measurements Note)

Note 3 - Investments - Continued

Investment income included in the statements of activities and changes in net assets for the years is as follows:

	Years Ended December 31, 2022	2021
Realized and unrealized (loss) gain	$ (43,140)	$ 24,139
Interest income	1,812	4,235
Total investment income	$ (41,328)	$ 28,374

Note 4 - Fair Value Measurements

FASB ASC 820, *Fair Value Measurements and Disclosures,* provides the framework for measuring fair value. The framework provides a fair value and defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the “exit price”) in an orderly transaction between market participants.

In determining fair value, the Network uses various valuation approaches, including market, income, and/or cost approaches. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements), and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under the topic are described below:

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

Level 2 - Quoted prices of similar instruments in active markets; quoted prices of identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.

Level 3 - Significant inputs to the valuation model are unobservable.

The following table sets forth, by level, the Network’s assets at fair value, within the aforementioned fair value hierarchy as of year end:

	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Jewish Community Investment Fund	$ -	$ -	$ 233,889	$ 233,889
	$ -	$ -	$ 233,889	$ 233,889

	December 31, 2021			
	Level 1	Level 2	Level 3	Total
Jewish Community Investment Fund	$ -	$ -	$ 249,916	$ 249,916
	$ -	$ -	$ 249,916	$ 249,916

Note 4 - Fair Value Measurements - Continued

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

Jewish Community Investment Fund
The fair value of the investments held in a managed investment pool is valued using a net asset value ("NAV) per share, or its equivalent. Based on the quoted market prices of underlying investments. It is estimated using a percent of ownership of the fund assets, which was approximately 0.0281% at December 31, 2022 and 2021.

Note 5 - Line of Credit

The Network has a line of credit agreement with a bank in the amount of $100,000, which matures on January 26, 2024. The line of credit has a variable interest rate based on the prime interest rate at year end plus 2.45%. There were no borrowings or outstanding balances under the line of credit as of December 31, 2022 or 2021. The interest rate at December 31, 2022 and 2021 was 9.95% and 5.7%, respectively.

Note 6 - Retirement Plan

The Network is a sponsor of a 403(b) defined contribution plan established pursuant to salary reduction agreements. All employees are eligible for participation under the terms of the plan, in which the Network provides 100% match up to 3% of employee contributions and 50% match for employee contributions between 3% and 5%. The Network contributions to the plan for the years ended December 31, 2022 and 2021 were $42,284 and $37,184, respectively.

The Network is a sponsor of a 457(b) deferred compensation plan and provides a match of 3% of employee compensation. The Network contributions to the plan were $6,416 for each of the years ended December 31, 2022 and 2021.

Note 7 - Net Assets with Donor Restrictions

The Organization had net assets with donor restrictions for time and purpose restrictions as follows:

	Years Ended December 31,	
	2022	2021
Time restriction	$ -	$ 100,000
Purpose restriction		
Mental health and wellbeing	507,871	-
Professional development	25,000	-
Ukranian refugee relief	25,000	-
Educational	875,657	1,821,827
	$ 1,433,528	$ 1,921,827

Network of Jewish Human Service Agencies
[a Non-Profit Organization]

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2022

Federal Grantor/Pass-Through Grantor Program Title	Federal Assistance Listing	Pass-Through Grantor's Number	Award Period	Expenditures
United States Department of Agriculture, Food and Nutrition Service				
SNAP Cluster				
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561	N/A	9/30/2021 - 9/30/2024	$ 373,953
United Statements Department of Health and Human Services, Administration for Community Living				
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048	90HSSG0001-01-00	1/1/2021 - 12/31/2022	508,000
Total Federal Awards				**$ 881,953**

Network of Jewish Human Service Agencies
[a Non-Profit Organization]

Notes to the Schedule of Expenditures of Federal Awards

Year Ended December 31, 2022

Note 1 - General Information

The accompanying schedule of expenditures of federal awards presents the activities in all the federal financial award programs of the Organization. All financial awards received directly from federal agencies as well as financial awards passed through other governmental agencies or not-for-profit organizations are included on the schedule.

Note 2 - Basis of Accounting

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the grant activity of the Organization and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

Note 3 - Indirect Cost Rate

The Organization elected to use the ten percent *de-minimis* cost rate.

Note 4 - Relationship to Basic Financial Statements

Federal award expenditures are reported on the statements of activities as functional and supporting expenses. In certain programs, the expenditures reported in the basic financial statements may differ from the expenditures reported in the schedule of expenditures of federal awards financial assistance due to program expenditures exceeding grant limitations or capitalization policies required by U.S. GAAP.

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

Board of Directors
Network of Jewish Human Service Agencies
Paramus, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of Network for Jewish Human Service Agencies [a Non-Profit Organization], which comprise the statement of financial position as of December 31, 2022, and the related statements of activities and change in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the organization's basic financial statements, and have issued our report thereon dated November 20, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2022-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2022-0001.

The Network for Jewish Human Service Agencies' Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Organization's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sax LLP

Parsippany, New Jersey
November 20, 2023

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance Required by OMB Uniform Guidance

Independent Auditor's Report

Board of Directors
Network of Jewish Human Service Agencies
Paramus, New Jersey

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Network for Jewish Human Service Agencies' compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2022. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of The Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with Those Charged with Governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Sax LLP

Parsippany, New Jersey
November 20, 2023

Network of Jewish Human Service Agencies
[a Non-Profit Organization]

Schedule of Findings and Questioned Costs

Year Ended December 31, 2022

Section I. Summary of Auditor's Results - Continued

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	Yes
• Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Type of auditor's report issued on compliance for the program:	Unmodified
Internal control over the major program:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major federal programs:

ALN	Program Title
10.561	SNAP Cluster - State Administrative Matching Grants for Supplemental Nutrition Assistance Program

Dollar threshold to distinguish between Type A and Type B Programs	$750,000
Auditee qualified as low-risk auditee?	No

Section II. Financial Statement Findings

2022-001: Grant Revenue Recognition

Condition: The Organization did not properly adjust books and records for the proper revenue recognition for private grants and contributions.

Criteria: Under generally accepted accounting principles ("GAAP), the Organization is required to recognize revenue when conditions have been satisfied for grants and contributions with conditions and unconditional grants and contributions should be recognized as revenue at the time awarded.

Cause: There is a deficiency in internal control over financial reporting to ensure that revenue is recognized in accordance with GAAP.

Effect: Material audit adjustments were proposed to books and records.

Repeat Finding: No

Recommendation: Auditors recommend the Organization review the accounting guidance for contributions to determine if private grants and contributions meet the criterial for conditional or unconditional. Revenue should be recognize for unconditional contributions at the time of the award and a receivable recognized if funds have not yet been received. Revenue should be recognized for conditional awards at the time that conditions are met and satisfied.

Views of Responsible Officials: Management will implement additional training procedures to ensure proper revenue recognition.

Section III. Federal and State Awards Findings and Questioned Costs

None noted.

NETWORK of Jewish Human Service Agencies

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(201) 977-2400 – www.networkjhsa.org

Corrective Action Plan Year Ended December 31, 2022

Identifying Number: 2022-001

Finding: The Organization did not properly adjust books and records for proper revenue recognition.

Contact Person Responsible for Corrective Action: Penny Goldberg-Rosenfeld

Corrective Actions Taken or Planned:

- VP of Finance will take a professional development class on FASB No. 2018-08.
- VP of Finance will review all new grant agreements and consult with members of the Finance Committee who work in Non-Profits and who are CPAs.
- If there are any questions, the VP of Finance will consult with the auditors before the audit begins.
- VP of Finance will bring the guidelines to the Finance Committee and will invite the auditors to join a review of the process NJHSA will be implementing.

Anticipated Completion Date: This process will begin immediately in preparation for the 2023 audit and will be ongoing thereafter.

Network of Jewish Human Service Agencies
[a Non-Profit Organization]

Schedule of Prior Year Findings

Year Ended December 31, 2022

There were no findings for the year ended December 31, 2021.