HEBREW FREE LOAN SOCIETY, INC.

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

YEARS ENDED JUNE 30, 2022 AND 2021

HEBREW FREE LOAN SOCIETY, INC.
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

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CITRINCOOPERMAN®

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Hebrew Free Loan Society, Inc.

Opinion

We have audited the accompanying financial statements of Hebrew Free Loan Society, Inc., which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hebrew Free Loan Society, Inc. as of June 30, 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 audits in accordance with auditing standards generally accepted in the United States of America. 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 Hebrew Free Loan Society, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 Hebrew Free Loan Society, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The information contained in the schedule on page 27 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Citrin Cooperman & Company, LLP
CERTIFIED PUBLIC ACCOUNTANTS

Melville, New York
January 31, 2023

HEBREW FREE LOAN SOCIETY, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

	2022	2021
ASSETS		
Cash and cash equivalents	$ 6,176,700	$ 4,822,152
Investments, at fair value	11,827,364	14,266,450
Loans receivable (net of allowance for doubtful loans of $434,971 and $201,620, respectively)	25,286,677	19,448,080
Contributions receivable	78,882	325,132
Other receivables	108,305	31,591
Prepaid expenses	26,418	5,850
Furniture and equipment (net of accumulated depreciation of $347,753 and $299,162, respectively)	348,318	240,420
TOTAL ASSETS	$ 43,852,664	$ 39,139,675
LIABILITIES AND NET ASSETS		
Liabilities:		
Lines of credit	$ -	$ 1,090,631
Accounts payable and accrued expenses	1,233	161,302
Advances payable	208,858	270,302
Loans payable	9,924,349	7,436,173
Total liabilities	10,134,440	8,958,408
Commitments and contingencies (Notes 6, 7, 10 and 12)		
Net assets:		
Without donor restrictions:		
Undesignated general fund	19,074,907	16,573,692
Board-designated quasi-endowment fund	2,648,467	4,043,327
Total net assets without donor restrictions	21,723,374	20,617,019
With donor restrictions:		
Time-restricted for future periods	490,909	54,409
Purpose restrictions	3,564,304	3,646,012
Donor restricted to be held in perpetuity	7,939,637	5,863,827
Total net assets with donor restrictions	11,994,850	9,564,248
Total net assets	33,718,224	30,181,267
TOTAL LIABILITIES AND NET ASSETS	$ 43,852,664	$ 39,139,675

See accompanying notes to financial statements.

HEBREW FREE LOAN SOCIETY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED JUNE 30, 2021)

	Without Donor Restrictions	With Donor Restrictions	2022 Total	2021 Summarized Total
Operating revenues, income and other support:				
United Jewish Appeal Federation of Jewish Philanthropies of New York, Inc. (FOJP):				
Basic grant	$ 150,000	$ -	$ 150,000	$ 150,000
Program grants	18,000	-	18,000	29,777
Administrative fees	89,000	-	89,000	87,000
	257,000	-	257,000	266,777
Contributions	2,296,179	-	2,296,179	2,289,573
In-kind rent (Note 7)	72,170	-	72,170	99,741
Investment income:				
Other investment income	32,543	-	32,543	24,465
Other administrative fees	341,465	-	341,465	247,789
Bad debt recovery	-	-	-	16,099
Total operating revenues, income and other support	2,999,357	-	2,999,357	2,944,444
Operating expenses:				
Program services	2,213,627	-	2,213,627	2,840,301
Management and general	366,835	-	366,835	416,393
Fundraising	371,110	-	371,110	476,157
Total operating expenses	2,951,572	-	2,951,572	3,732,851
Excess (deficiency) of operating revenues, income and other support over operating expenses	47,785	-	47,785	(788,407)
Non-operating revenues, expenses, income and other support:				
Contributions	2,461,123	2,431,202	4,892,325	2,147,207
Investment income (loss)	(1,403,153)	-	(1,403,153)	2,568,834
Net assets released from restrictions	600	(600)	-	-
Total non-operating revenues, expenses, income and other support	1,058,570	2,430,602	3,489,172	4,716,041
Change in net assets	1,106,355	2,430,602	3,536,957	3,927,634
Net assets - beginning of year	20,617,019	9,564,248	30,181,267	26,253,633
NET ASSETS - END OF YEAR	$ 21,723,374	$ 11,994,850	$ 33,718,224	$ 30,181,267

See accompanying notes to financial statements.

HEBREW FREE LOAN SOCIETY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenues, income and other support:			
United Jewish Appeal Federation of Jewish Philanthropies of New York, Inc. (FOJP):			
Basic grant	$ 150,000	$ -	$ 150,000
Program grants	29,777	-	29,777
Administrative fees	87,000	-	87,000
	266,777	-	266,777
Contributions	2,289,573	-	2,289,573
In-kind rent (Note 7)	99,741	-	99,741
Investment income:			
Other investment income	24,465	-	24,465
Other administrative fees	247,789	-	247,789
Bad debt recovery	16,099	-	16,099
Total operating revenues, income and other support	2,944,444	-	2,944,444
Operating expenses:			
Program services	2,840,301	-	2,840,301
Management and general	416,393	-	416,393
Fundraising	476,157	-	476,157
Total operating expenses	3,732,851	-	3,732,851
Excess (deficiency) of operating revenues, income and other support over operating expenses	(788,407)	-	(788,407)
Non-operating revenues, expenses, income and other support:			
Contributions	108,530	2,038,677	2,147,207
Investment income	2,568,834	-	2,568,834
Net assets released from restrictions	70,600	(70,600)	-
Total non-operating revenues, expenses, income and other support	2,747,964	1,968,077	4,716,041
Change in net assets	1,959,557	1,968,077	3,927,634
Net assets - beginning of year	18,657,462	7,596,171	26,253,633
NET ASSETS - END OF YEAR	$ 20,617,019	$ 9,564,248	$ 30,181,267

See accompanying notes to financial statements.

HEBREW FREE LOAN SOCIETY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED JUNE 30, 2021)

	Program Services	Supporting Services				
	Loan Programs	Management and General	Fundraising	Total Supporting Services	2022 Total	2021 Summarized Total
Salaries	$ 1,135,801	$ 201,289	$ 217,019	$ 418,308	$ 1,554,109	$ 1,616,093
Payroll taxes and benefits	376,207	46,610	47,791	94,401	470,608	440,841
Pension plan withdrawal liability (Note 10)	-	-	-	-	-	784,028
Professional fees	54,475	6,984	8,381	15,365	69,840	33,892
Consultants	118,284	46,667	37,461	84,128	202,412	130,279
Operational management systems	31,886	6,923	5,236	12,159	44,045	-
Insurance	29,300	3,447	1,724	5,171	34,471	35,771
Program expense	31,505	-	-	-	31,505	42,500
Computer expenses	-	-	-	-	-	70,167
Office supplies, expenses and equipment	23,021	6,577	3,289	9,866	32,887	41,174
Postage	-	5,796	1,449	7,245	7,245	15,023
Printing and publications	6,271	90	12,538	12,628	18,899	13,955
Telephone	12,724	3,635	1,818	5,453	18,177	12,938
Conferences, training and transportation	2,497	352	88	440	2,937	6,502
Occupancy (includes in-kind rent of $72,170 and $99,741 at June 30, 2022 and 2021, respectively)	230,341	18,323	13,088	31,411	261,752	270,987
Catering, facility rental and entertainment	-	-	-	-	-	138
Depreciation	34,015	9,718	4,859	14,577	48,592	22,222
Bank fees and credit reports	21,104	6,029	3,015	9,044	30,148	35,836
Interest expense	24,316	-	-	-	24,316	73,992
Investment management fees	-	10,263	-	10,263	10,263	10,264
Marketing and communications	80,876	-	-	-	80,876	77,918
Training courses	-	3,425	-	3,425	3,425	-
Bad debt expense	-	-	10,000	10,000	10,000	-
Miscellaneous	1,004	970	3,354	4,324	5,328	8,595
	2,213,627	377,098	371,110	748,208	2,961,835	3,743,115
Investment management fees deducted from investment income	-	(10,263)	-	(10,263)	(10,263)	(10,264)
TOTAL OPERATING EXPENSES REPORTED BY FUNCTION	$ 2,213,627	$ 366,835	$ 371,110	$ 737,945	$ 2,951,572	$ 3,732,851

See accompanying notes to financial statements.

HEBREW FREE LOAN SOCIETY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	Program Services	Supporting Services			
	Loan Programs	Management and General	Fundraising	Total Supporting Services	Total
Salaries	$ 1,147,614	$ 225,331	$ 243,148	$ 468,479	$ 1,616,093
Payroll taxes and benefits	339,203	45,798	55,840	101,638	440,841
Pension plan withdrawal liability (Note 10)	603,267	81,451	99,310	180,761	784,028
Professional fees	26,436	3,389	4,067	7,456	33,892
Consultants	102,256	14,393	13,630	28,023	130,279
Insurance	30,405	3,577	1,789	5,366	35,771
Program expense	42,500	-	-	-	42,500
Computer expenses	59,642	7,017	3,508	10,525	70,167
Office supplies, expenses and equipment	28,822	8,235	4,117	12,352	41,174
Postage	3,938	362	10,723	11,085	15,023
Printing and publications	5,106	59	8,790	8,849	13,955
Telephone	9,056	2,588	1,294	3,882	12,938
Conferences, training and transportation	5,527	780	195	975	6,502
Occupancy (includes in-kind rent of $99,741)	238,469	18,969	13,549	32,518	270,987
Catering, facility rental and entertainment	-	-	138	138	138
Depreciation	15,556	4,444	2,222	6,666	22,222
Bank fees and credit reports	28,829	-	7,007	7,007	35,836
Interest expense	73,992	-	-	-	73,992
Investment management fees	-	10,264	-	10,264	10,264
Marketing and communications	77,918	-	-	-	77,918
Miscellaneous	1,765	-	6,830	6,830	8,595
	2,840,301	426,657	476,157	902,814	3,743,115
Investment management fees deducted from investment income	-	(10,264)	-	(10,264)	(10,264)
TOTAL OPERATING EXPENSES REPORTED BY FUNCTION	$ 2,840,301	$ 416,393	$ 476,157	$ 892,550	$ 3,732,851

See accompanying notes to financial statements.

HEBREW FREE LOAN SOCIETY, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
Cash flows from operating activities:		
Change in net assets	$ 3,536,957	$ 3,927,634
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net realized and unrealized losses (gains) on investments	1,403,153	(2,568,834)
Depreciation	48,592	22,222
Bad debt expense (recovery)	10,000	(16,099)
Decrease (increase) in operating assets:		
Contributions receivable	246,250	(142,186)
Other receivables	(76,714)	(8,088)
Prepaid expenses	(20,568)	7,085
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(160,069)	70,349
Advances payable	(61,444)	152,885
Net cash provided by operating activities	4,926,157	1,444,968
Cash flows from investing activities:		
Loans issued	(23,699,193)	(18,882,778)
Repayments of loans receivable	17,850,596	18,895,106
Purchase of investments	(27,636)	(6,419,647)
Proceeds from sale of investments	1,063,569	3,500,000
Purchase of furniture and equipment	(156,490)	(217,217)
Net cash used in investing activities	(4,969,154)	(3,124,536)
Cash flows from financing activities:		
Repayments on lines of credit	(1,090,631)	(1,240,129)
Proceeds from loans payable	3,697,971	1,508,000
Principal payments on loans payable	(1,209,795)	(411,827)
Net cash provided by (used in) financing activities	1,397,545	(143,956)
Net increase (decrease) in cash and cash equivalents	1,354,548	(1,823,524)
Cash and cash equivalents - beginning of year	4,822,152	6,645,676
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 6,176,700	$ 4,822,152
Supplemental disclosures of cash flow information:		
Cash paid during the year for interest	$ 24,315	$ 73,992

See accompanying notes to financial statements.

NOTE 1. NATURE OF BUSINESS

The Hebrew Free Loan Society, Inc. (the "Society") makes interest-free loans for philanthropic purposes within the New York metropolitan area. The Society's activities are rooted in the age-old Jewish tradition of *Gemilut Chasadim*, which views interest-free lending as the highest form of charity because it renders assistance while preserving dignity and promoting self-help. The Society seeks to make loans where the availability of interest-free credit will make a significant difference in people's lives.

In furtherance of these principles, the Society makes a wide range of interest-free loans to lower-income individuals and families on a non-sectarian basis. In addition, when possible and in cases where there is need and the loans are mission aligned, the Society provides cost-free loans to certain nonprofit institutions.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The accompanying 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") and are presented in accordance with accounting requirements for not-for-profit organizations. The Society classifies net assets, revenues, expenses, and gains and losses based on the existence or absence of donor-imposed restrictions.

The net assets of the Society and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net Assets with Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Use of estimates

The preparation of 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 dates of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

Cash and cash equivalents consist primarily of cash on deposit and money market accounts that are readily convertible into cash. The Society considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Investments and investment income

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for discussion of fair value measurements.

Investment transactions are recorded on a trade-date basis. Income from investments, including both realized and unrealized gains and losses, are treated as an increase in net assets without donor restrictions unless otherwise specified by donors. The earnings from dividends and interest are recognized when earned.

Fair value measurements

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, *Fair Value Measurement*, establishes a framework for measuring fair value. That 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 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Categorization within the valuation hierarchy is based upon the lowest level of 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. Under this standard, fair value is defined as the exit price, or the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date.

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 - inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Society has the ability to access.

Level 2 - inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical 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.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions receivable

Contributions receivable are stated at the amount management expects to collect from the donors. Contributions receivable are due in less than one year; therefore, no discount to present value is required.

Management evaluates such receivables and establishes an allowance for doubtful accounts based on a history of write-offs and collections and current credit conditions. Management has determined that no allowance was required at June 30, 2022 and 2021.

Loans receivable

The Society records loans receivable upon disbursement of loans to borrowers, net of an allowance for doubtful loans.

On a periodic basis, the Society evaluates its loans receivable and establishes an allowance for doubtful loans, if necessary, based on a history of past write-offs and collections. The total amount of write-offs was $41,128 and $6,590 for the years ended June 30, 2022 and 2021, respectively. At June 30, 2022 and 2021, the allowance for doubtful loans was $434,971 and $201,620, respectively.

Advances payable

Advances payable consist primarily of excess funds from advances to the Society to fund various scholarship programs that it administers.

Furniture and equipment

Furniture and equipment are stated at cost if acquired or their fair values at the date of donation. Maintenance and repairs are charged to operations when incurred. Expenditures that increase the value or significantly extend the lives of assets with a cost of $1,000 or more are capitalized. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, which range from three to six years. When furniture and equipment are sold, or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations.

Allocation of expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the accompanying statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The expenses that are allocated include the following:

Expense	Method of Allocation
Salaries and payroll taxes and benefits	Time and effort
Insurance	Full time equivalent
Office supplies, expenses and equipment	Full time equivalent
Telephone	Full time equivalent
Occupancy	Square footage
Depreciation	Full time equivalent
Bank fees and credit reports	Full time equivalent

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

The Society derives revenue and support primarily from grants, contributions, investments and program fees.

Revenue is measured based on the consideration specified in a contract with a customer, and excludes any amounts collected on behalf of third parties. The Society recognizes revenue when it satisfies a performance obligation by transferring control over a service to a customer. The majority of the Society's services represent a bundle of services that are not capable of being distinct and as such, are treated as a single performance obligation that is satisfied as the services are rendered. The Society determines the transaction price based on contractually agreed upon rates, adjusted for any variable consideration, if any.

Program services are offered by the Society throughout the course of the year. Revenues from these services are recognized at the point at which control over the services are rendered. Event revenue is recognized over the period the event takes place.

Revenue is reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from donor restrictions.

Non-operating revenues, expenses, income and other support

Contributions received for loan programs, investment income in excess of the board-approved spending rate, other investment income (described in Note 4), and net assets released from restrictions, are included in non-operating revenues, expenses, income and other support.

Marketing and communications

Marketing and communications costs are expensed as incurred and were $80,876 and $77,918 for the years ended June 30, 2022 and 2021, respectively.

Income taxes

The Society qualifies as a tax-exempt, not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code.

The Society recognizes and measures its unrecognized tax benefits in accordance with FASB ASC 740, *Income Taxes*. Under that guidance, the Society assesses the likelihood, based on their technical merit, that tax positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available, or when an event occurs that requires a change.

Management has evaluated the tax positions of the Society and has concluded that no uncertain tax positions that require adjustment to the financial statements had been taken.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently issued accounting pronouncement

Contributed nonfinancial assets

In September 2020, FASB issued Accounting Standards Update No. ("ASU") 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* ("ASU 2020-07"). ASU 2020-07 increases the transparency of contributed nonfinancial assets through enhancements to presentation and disclosure. ASU 2020-07 is effective for annual reporting periods beginning after June 15, 2021, with early adoption permitted. The Society has determined that the application of ASU 2020-07 did not have a material impact on the Society's financial statements and related disclosures.

Accounting pronouncements issued but not yet effective

Leases

In February 2016, FASB issued ASU 2016-02, *Leases*. This update requires all leases with terms greater than 12 months to be recognized on the statement of financial position through a right-of-use asset and a lease liability and the disclosure of key information pertaining to leasing arrangements. In July 2018, FASB also issued ASU No. 2018-10, *Codification Improvements to Topic 842*, and ASU No. 2018-11, *Leases: Targeted Improvements*, which provided narrow amendments to clarify how to apply certain aspects of the new leases standard and options regarding transition. The standard requires either a modified retrospective transition approach with application in all comparative periods presented, or an alternative transition method, which permits the Society to use its effective date as the date of initial application without restating the comparative period financial statements and recognizing any cumulative effect adjustment to the opening statement of financial position. In November 2019, FASB issued ASU No. 2019-10, *Financial Instruments - Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842)*. ASU No. 2019-10 amended the effective date for ASU 2016-02 and related amendments. ASU 2016-02, as amended, is effective for fiscal years beginning after December 15, 2020. In June 2020, FASB issued ASU No. 2020-05, *Revenue from Contracts with Customers* (Topic 606) and *Leases* (Topic 842) ("ASU 2020-05"). ASU 2020-05 provided for an optional election to defer the effective date for Topic 842 and related amendments for an additional year. Entities may elect to adopt the guidance on the adoption of Topic 842 for annual reporting periods beginning after December 15, 2021. The Society has determined to defer Topic 842 and is evaluating the impact this new guidance will have on its financial statements and related disclosures.

Subsequent events

In accordance with FASB ASC 855, *Subsequent Events*, the Society has evaluated subsequent events through January 31, 2023, the date on which these financial statements were available to be issued. There were no material subsequent events that required recognition or disclosure in these financial statements.

NOTE 3. AVAILABILITY AND LIQUIDITY

The following represents the Society's financial assets at June 30, 2022 and 2021:

	2022	2021
Financial assets at year end:		
Cash and cash equivalents	$ 6,176,700	$ 4,822,152
Investments, at fair value	11,827,364	14,266,450
Loans receivable, net	25,286,677	19,448,080
Contributions receivable	78,882	325,132
Other receivables	108,305	31,591
Total financial assets at year end	43,477,928	38,893,405
Less amounts not available to be used in the next 12 months:		
Loans receivable	(2,459,910)	(1,840,015)
Other receivables	-	(16,626)
Investments, cash and cash equivalents encumbered by donor or board restrictions	(14,643,317)	(13,607,575)
Total financial assets not available for operations in the next 12 months	(17,103,227)	(15,464,216)
Financial assets available for general expenditures in the next 12 months	$ 26,374,701	$ 23,429,189

The Society generally aims to maintain financial assets to meet 90 days of operating expenses. As part of its liquidity plan, excess cash is invested in a pooled investment account, money market accounts, mutual fund and a loan fund.

NOTE 4. FAIR VALUE MEASUREMENTS

Assets and liabilities measured at fair value are based on one or more of three valuation techniques identified in the table below. The valuation techniques are as follows:

a) *Market approach*. Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;

b) *Cost approach*. Amount that would be required to replace the service capacity of an asset (replacement cost); and

c) *Income approach*. Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques, option-pricing and excess earnings models).

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

Money market funds - Valued at the cost plus accrued interest, which approximates fair value due to the liquidity of the investments.

FJC Agency Loan Fund - The investment in the FJC Agency Loan Fund is recorded at fair value based upon the cash liquidation value.

JP Morgan Mutual Fund - The investment in the JP Morgan Mutual Fund is recorded at fair value based upon the cash liquidation value.

NOTE 4. FAIR VALUE MEASUREMENTS (CONTINUED)

UJA Federation Pooled Investment Account - Valued at the Society's share of the investments of the UJA pooled investments as reported by the UJA and its investment managers and advisors. The methods and procedures used to value these investments may include, but are not limited to: (1) performing comparisons with prices of comparable or similar securities; (2) obtaining valuation-related information from issuers; and/or (3) other analytical data relating to the investment and using other available indications of value, absent readily available market values.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Society believes its valuation methods are appropriate and consistent with those of other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table presents the investments measured at fair value by level at June 30, 2022:

Description	Level 1: Quoted Prices in Active Markets for Identical Assets	Level 2: Significant Other Observable Inputs	Level 3: Significant Unobservable Inputs	Total at June 30, 2022	Valuation Technique
Money market funds	$ 351	$ -	$ -	$ 351	(a)
FJC Agency Loan Fund	-	-	984,737	984,737	(c)
JP Morgan Mutual Fund	4,673,986	-	-	4,673,986	(a)
UJA Federation - Pooled Investment Account	-	-	6,168,290	6,168,290	(c)
Total	$ 4,674,337	$ -	$ 7,153,027	$ 11,827,364	

The following table presents the investments measured at fair value by level at June 30, 2021:

Description	Level 1: Quoted Prices in Active Markets for Identical Assets	Level 2: Significant Other Observable Inputs	Level 3: Significant Unobservable Inputs	Total at June 30, 2021	Valuation Technique
Money market funds	$ 351	$ -	$ -	$ 351	(a)
FJC Agency Loan Fund	-	-	1,035,674	1,035,674	(c)
JP Morgan Mutual Fund	6,415,525	-	-	6,415,525	(a)
UJA Federation - Pooled Investment Account	-	-	6,814,900	6,814,900	(c)
Total	$ 6,415,876	$ -	$ 7,850,574	$ 14,266,450	

NOTE 4. FAIR VALUE MEASUREMENTS (CONTINUED)

The following tables set forth the changes in Level 3 investments:

	2022	2021
Balance - beginning	$ 7,850,574	$ 8,777,618
Total income (loss) included in change in net assets	(730,005)	2,548,812
Purchases	-	-
Sales	-	(3,500,000)
Interest and dividends	42,721	34,408
Investment management fees	(10,263)	(10,264)
Balance - ending	$ 7,153,027	$ 7,850,574
The amount of total income (loss) for the period included in change in net assets attributable to the change in unrealized gain (loss) relating to assets still held at year end	$ (1,012,511)	$ 1,756,278

	2022	2021
Interest and dividends	$ 42,721	$ 34,408
Net realized and unrealized gain (loss)	(730,005)	2,548,812
Investment management fees	(10,263)	(10,264)
Total investment income (loss)	$ (697,547)	$ 2,572,956
Investment income (loss) included in operating revenues:		
Board-designated spending rate	$ -	$ -
Other investment income	32,458	24,144
Investment income (loss) included in non-operating revenues, expenses, income and other support	(730,005)	2,548,812
Total investment income (loss)	$ (697,547)	$ 2,572,956

The Society has an investment in the UJA Federation Pooled Investment Account ("PIA") and JP Morgan Mutual Fund ("JPM"). The board has determined that 5% of all PIA and JPM assets on a rolling 12-quarter and 20-quarter basis for the years ended June 30, 2022 and 2021, respectively, can be used for operations. The Society did not expend the funds appropriated for expenditures from the board-designated spending rate for the year ended June 30, 2022 and 2021, respectively.

Net asset value per share

	Fair Value	Unfunded Commitments	Redemption Frequency	Other Redemption Restrictions	Redemption Notice Period
UJA Federation - Pooled Investment Account at June 30, 2022	$ 6,168,290	$ -	Monthly	None	30 days

	Fair Value	Unfunded Commitments	Redemption Frequency	Other Redemption Restrictions	Redemption Notice Period
UJA Federation - Pooled Investment Account at June 30, 2021	$ 6,814,900	$ -	Monthly	None	30 days

NOTE 4. FAIR VALUE MEASUREMENTS (CONTINUED)

The Society's long-term investment objective is to target superior risk-adjusted capital appreciation with a net return that at least equals the consumer price index. Strategic asset allocation targets and ranges are reviewed periodically with the intention of setting them at a level that will allow for the achievement of the long-term objective while taking an appropriate level of risk through diversification.

NOTE 5. LOANS RECEIVABLE

The majority of loans receivable are supported by unsecured personal and third-party guarantees except for approximately $1,750,000 at both June 30, 2022 and 2021, of special education loans, which are supported by unsecured not-for-profit guarantees.

NOTE 6. LINES OF CREDIT AND LOANS PAYABLE

All loans are interest free unless specified.

Lines of credit

The Society entered into a line of credit agreement with JP Morgan Chase Bank, N.A. in January 2018 ("JPMC Line of Credit"). Under the JPMC Line of Credit, the Society may borrow up to $1,000,000, with interest-only payable monthly at LIBOR plus 1.25% per annum (1.44% at June 30, 2021). The JPMC Line of Credit matured on January 31, 2020, and the agreement was extended and increased to $2,000,000 with principal and interest due on January 31, 2022. The JPMC Line of Credit was not extended. The funds borrowed were collateralized by liquid securities maintained by the Society. The outstanding balance on the JPMC Line of Credit at June 30, 2022 and 2021, was $0 and $1,000,000, respectively.

The Society entered into a loan agreement with the UJA Federation of New York ("UJA") in April 2020 ("UJA Loan Agreement"). Under the UJA Loan Agreement, the Society may borrow up to $20,000,000 to fund a loan program. The purpose of the Loan is to allow the Society to make interest-free loans to social service organizations that are core partners and or affiliates of UJA's network. The Society will repay UJA on all sums collected as repayment under the UJA loans immediately upon receipt. UJA guarantees one hundred percent of the principal amount and UJA approves all loans. The UJA Loan Agreement has been terminated. The outstanding balance on the UJA Loan Agreement as of June 30, 2022 and 2021, was $0 and $90,631, respectively.

Loans payable

The Society entered into a loan agreement with a foundation in July 2012 (the "Foundation Loan Agreement"). Under the Foundation Loan Agreement, the Society may borrow up to $1,250,000 to fund the Special Education Bridge Loan Program. The funds are held in a FJC account maintained by the Society. If funds are drawn, interest is payable quarterly at Prime plus 3% per annum, as published in *The Wall Street Journal*. Principal and interest are due on December 31, 2026. The funds are secured by a security interest in all FJC accounts maintained by the Society, and loans made by the Society financed or refinanced by the Foundation Loan Agreement proceeds. The outstanding balance on the Foundation Loan Agreement at both June 30, 2022 and 2021, was $1,250,000 of the borrowed amount and was on deposit in the Society's Restricted Earmarked Fund Account with FJC and, as provided in the Foundation Loan Agreement, the earnings on that deposit offset 100% of the loan interest accruing on the amount borrowed.

NOTE 6. LINES OF CREDIT AND LOANS PAYABLE (CONTINUED)

Loans payable (continued)

An unaffiliated organization that benefits from the Special Education Bridge Loan Program has agreed to pay the net interest due under the Foundation Loan Agreement.

The Society entered into a loan agreement with the Society for the Advancement of Judaism ("SAJ") in June 2017 ("SAJ Loan Agreement") and renewed the SAJ Loan Agreement in May 2019. Under the SAJ Loan Agreement, the Society borrowed $13,000 to fund the General Loan Programs, with principal due on May 31, 2022, and was extended to May 31, 2027. The outstanding balance on the SAJ Loan Agreement at both June 30, 2022 and 2021, was $13,000.

The Society entered into a loan agreement ("Loan Agreement") in May 2018 with a family (the "Family"). Under the Loan Agreement, the Society borrowed $100,000 to fund the General Loan Programs, with principal due on May 14, 2020, and was extended to June 15, 2027. The outstanding balance on the Loan Agreement at both June 30, 2022 and 2021, was $100,000.

The Society entered into a loan agreement with the Jewish Communal Fund ("JCF") in July 2018 ("JCF Loan Agreement"). Under the JCF Loan Agreement, JCF may make one or more loans ("Program Loans") to the Society to fund the Microcredit Loan Program. Program Loans are disbursed to the Society quarterly and each Program Loan has a two-year term. During the year ended June 30, 2022, the Society obtained $700,000 of additional loans. During the year ended June 30, 2021, the Society obtained $850,000 of additional loans. The JCF Loan Agreement requires the Society to meet certain covenants, the most restrictive of which requires the Society to maintain a minimum coverage ratio. The outstanding balance on the JCF Loan Agreement at June 30, 2022 and 2021, was $2,550,000 and $1,850,000, respectively.

The Society entered into a loan agreement with an individual ("Individual A") in October 2018 ("Individual A Loan Agreement"). Under the Individual A Loan Agreement, the Society borrowed $50,000 to fund the General Loan Programs, with no stated maturity date. Individual A can demand repayment at any time provided the Society is given written notice 183 days in advance of the requested repayment date. The outstanding balance on the Individual A Loan Agreement at both June 30, 2022 and 2021, was $50,000.

The Society entered into a loan agreement with Charles and Lynn Schusterman Family Foundation in November 2018 ("Schusterman Loan Agreement"). Under the Schusterman Loan Agreement, the Society borrowed $500,000 to fund educational programs, with principal due on December 21, 2023, unless the Charles and Lynn Schusterman Family Foundation agrees to extend the maturity date or donate part of the loan principal amount to the Society. The outstanding balance on the Schusterman Loan Agreement at both June 30, 2022 and 2021, was $500,000.

NOTE 6. LINES OF CREDIT AND LOANS PAYABLE (CONTINUED)

Loans payable (continued)

The Society entered into a loan agreement with Men Having Babies Inc. ("MHB") in November 2018 ("Men Having Babies Loan Agreement"). The Society operates and administers a loan program to be funded by MHB to provide interest-free loans to qualified individuals who are seeking to have a child by means of surrogacy. The Society will repay MHB on all sums collected as repayment under the MHB Loans on a monthly basis beginning October 5, 2019. The Society has no obligation under the loan agreement to repay MHB any amounts borrowed and lent under the Men Having Babies Loan but not repaid to the Society under the Men Having Babies Loan Program. The outstanding balance on the Men Having Babies Loan Agreement at both June 30, 2022 and 2021, was $139,000.

The Society entered into a loan agreement with an Individual ("Individual B") in December 2018 ("Individual B Loan Agreement"). Under the Individual B Loan Agreement, the Society borrowed $250,000 to fund the General Loan Programs, with principal originally due on December 26, 2020, but was extended to December 26, 2022. The outstanding balance on the Individual B Loan Agreement at both June 30, 2022 and 2021, was $250,000.

The Society entered into a 15-month loan agreement with the Robin Hood Foundation in March 2019 ("Robin Hood Loan Agreement"). Under the Robin Hood Loan Agreement, the Society borrowed $188,000 to fund a pilot program to provide emergency loans of up to $2,000 to low-income employees of two pilot cohort members. The principal was originally due on May 30, 2020, but was extended to October 31, 2020, with an increase to borrow a total amount of $388,000. The Society will repay the Robin Hood Foundation all sums collected as repayment under the Robin Hood Loan Agreement on a quarterly basis beginning October 7, 2020, until the earlier of (a) the date on which the Robin Hood Loan Agreement is repaid in full or (b) the date on which the Robin Hood Foundation provides written notice to the Society of termination of the repayment of the loan. The amount repaid during the fiscal year June 30, 2022 and 2021, is $0 and $341,609, respectively. The outstanding balance on the Robin Hood Loan Agreement at both June 30, 2022 and 2021, was $46,391.

The Society entered into a second loan agreement with the Robin Hood Foundation in February 2021 ("Robin Hood Debt Relief Loan Agreement"). Under the Robin Hood Debt Relief Loan Agreement, the Society borrowed $250,000 to fund a debt burden relief program to provide loans to households impacted by COVID-19, with principal due on February 20, 2026. The Society may repay Robin Hood Foundation all sums collected as repayment under the debt relief loan program at any time. The amount repaid during the fiscal year June 30, 2022, was $82,810. The outstanding balance of the Robin Hood Debt Relief Loan Agreement at June 30, 2022 and 2021, was $119,987 and $204,782, respectively.

The Society entered into a loan agreement with Moise Y. Safra Foundation in August 2019 (“Safra Loan Agreement”). Under the Safra Loan Agreement, the Society borrowed $1,000,000 to fund the General Loan Programs. The loan was disbursed in two tranches of $500,000 in August and October 2019, with an original maturity of August 31, 2022, which was extended to August 31, 2025. The outstanding balance on the Safra Loan Agreement at both June 30, 2022 and 2021, was $1,000,000.

NOTE 6. LINES OF CREDIT AND LOANS PAYABLE (CONTINUED)

Loans payable (continued)

The Society entered into a loan agreement with an individual ("Individual D") in November 2019 ("Individual D Loan Agreement"). Under the Individual D Loan Agreement, the Society borrowed $1,000,000 to fund the General Loan Programs with principal due on November 30, 2021. The balance was fully repaid during the fiscal year June 30, 2022. The outstanding balance on the Individual D Loan Agreement at June 30, 2022 and 2021, was $0 and $1,000,000, respectively.

The Society entered into a loan agreement with Charitable Associates, LLC in January 2020 ("Charitable Associates Loan Agreement"). Under the Charitable Associates Loan Agreement, the Society borrowed $500,000 to fund the Security Infrastructure Loan Program with principal due on December 2, 2021. On December 23, 2020, the Society entered into an amendment to the Charitable Associates Loan Agreement received $78,000 of additional loans and extended the maturity date to January 1, 2023. The outstanding balance on the Charitable Associates Loan Agreement at both June 30, 2022 and 2021, was $578,000.

The Society entered into a loan agreement with an individual ("Individual E") in January 2020 ("Individual E Loan Agreement"). Under the Individual E Loan Agreement, the Society borrowed $25,000 to fund the General Loan Programs with principal due on January 30, 2022. The balance was fully repaid during the fiscal year June 30, 2022. The outstanding balance on the Individual E Loan Agreement at June 30, 2022 and 2021, was $0 and $25,000, respectively.

The Society entered into a loan agreement with an individual ("Individual F") in March 2020 ("Individual F Loan Agreement"). Under the Individual F Loan Agreement, the Society borrowed $100,000 to fund the General Loan Programs with principal due on March 30, 2022. The outstanding balance was converted to a grant on March 23, 2022, and included in "Contributions" with donor restrictions on the accompanying statement of activities for the year ended June 30, 2022.

The Society entered into a loan agreement with United Jewish Appeal - Federation of Jewish Philanthropies of New York, Inc. in October 2020 ("UJA Small Business Loan Agreement"). Under the UJA Small Business Loan Agreement, the Society can borrow up to $1,000,000 to fund the Microenterprise Loan Program with principal due on October 15, 2024. The outstanding balance on the UJA Small Business Loan Agreement at both June 30, 2022 and 2021, was $600,000 and $200,000, respectively.

The Society entered into a loan agreement with Community Healthcare Network in October 2020 ("Community Loan Agreement"). Under the Community Loan Agreement, the Society borrowed $80,000 to fund the Employee Access Loan Program with an original maturity of October 29, 2021, which was extended to October 29, 2022. The outstanding balance on the Community Loan Agreement at both June 30, 2022 and 2021, was $80,000.

The Society entered into a loan agreement with an individual ("Individual G") in March 2021 ("Individual G Loan Agreement"). Under the Individual G Loan Agreement, the Society borrowed $50,000 to fund the General Loan Programs with principal due on March 12, 2026. The outstanding balance on the Individual G Loan Agreement at both June 30, 2022 and 2021, was $50,000.

NOTE 6. LINES OF CREDIT AND LOANS PAYABLE (CONTINUED)

Loans payable (continued)

The Society entered into a loan agreement with Follow Your Dream Foundation in April 15, 2022 ("FYD Loan Agreement"). Under the FYD Loan Agreement, the Society borrowed $1,000,000 to fund General Loan Programs, with principal due on April 15, 2024, unless the Follow Your Dream Foundation agrees to extend the maturity date. The outstanding balance on the FYD Loan Agreement at June 30, 2022, was $1,000,000.

The Society entered into a loan agreement with Follow Your Dream Foundation in May 20, 2022 ("FYD Second Loan Agreement"). Under the FYD Second Loan Agreement, the Society borrowed $1,000,000 to fund General Loan Programs, with principal due on May 20, 2024, unless the Follow Your Dream Foundation agrees to extend the maturity date. The outstanding balance on the FYD Second Loan Agreement at June 30, 2022, was $1,000,000.

The Society entered into a loan agreement with Credit Builders Alliance in June 2022 ("CBA Loan Agreement"). Under the CBA Loan Agreement, the Society borrowed $100,000 to fund General Loan Programs, with principal due on July 1, 2024, unless the Credit Builders Alliance agrees to extend the maturity date. The outstanding balance on the CBA Loan Agreement at June 30, 2022, was $100,000.

At June 30, 2022, combined future minimum payments for loans payable due are as follows:

Year Ending June 30:	Foundations & Non-profit Organizations	SAJ	JCF	Robin Hood	MHB	Individuals, Family & Guarantor	Total
2023	$ 80,000	$13,000	$ 1,525,000	$ 46,391	$ 139,000	$ 797,971	$ 2,601,362
2024	1,078,000	-	825,000	-	-	-	1,903,000
2025	2,700,000	-	-	-	-	-	2,700,000
2026	1,000,000	-	200,000	119,987	-	50,000	1,369,987
2027	1,250,000	-	-	-	-	100,000	1,350,000
	$ 6,108,000	$13,000	$ 2,550,000	$166,378	$ 139,000	$ 947,971	$ 9,924,349

NOTE 7. LEASE COMMITMENT

The Society rented office space under an operating lease that expired on June 30, 2020. The office space was leased from a real estate company that is affiliated with the family of a member and a past president of the board of directors. Included in rent expense is an in-kind contribution of additional rent to adjust to the market value for similar office space, which amounted to $72,170 and $99,741 for the years ended June 30, 2022 and 2021, respectively. Rent expense for the years ended June 30, 2022 and 2021, was $261,752 and $270,987, respectively.

On June 23, 2020, the Society entered into a new operating lease agreement to rent office space. The office space is leased from a real estate company that is affiliated with the family of a member and a past president of the board of directors. In addition to the base rent of $15,613 per month, the Society is responsible for taxes and operating expense, as defined in the operating lease agreement.

At June 30, 2022, the minimum future annual rental commitments are as follows:

Year ending June 30:	Amount
2023	$ 187,358
2024	187,358
2025	187,358
	$ 562,074

NOTE 8. NET ASSETS

The Society's net assets with donor restrictions are available to satisfy the following purposes as of June 30, 2022 and 2021:

	2022	2021
Children with special needs	$ 268,281	$ 268,281
Women’s executive circle new start loan program	7,300	7,900
COVID-19	3,264,473	3,369,831
Eleanor Gruenbaum Estate	436,500	-
Seller-Lehrer Family Foundation	24,250	-
Restricted to future periods	54,409	54,409
	$ 4,055,213	$ 3,700,421

During the years ended June 30, 2022 and 2021, net assets were released from restriction as follows:

	2022	2021
Lapse of time restrictions	$ 600	$ 70,600

NOTE 8. NET ASSETS (CONTINUED)

Net assets required to be held in perpetuity with donor restrictions at June 30, 2022 and 2021, are restricted to the following loan programs:

	2022	2021
Residents of New York City ("NYC"), or nurses employed in specified NYC hospitals, who are currently attending NYC colleges, or who have graduated from NYC public schools, and special education bridge loans	$ 735,000	$ 735,000
Educational loans	620,833	615,983
Synagogue and Batei Midrash	10,000	10,000
Medical and nursing education loans	190,000	190,000
Higher education to needy students	249,225	249,225
Emigré retraining program	425,000	425,000
Housing for educators	100,000	100,000
Children with special needs	345,892	345,772
Emigré programs	507,296	507,296
Adoption	366,609	269,609
Security infrastructure	708,234	730,138
Addiction recovery	75,000	75,000
Microenterprise loans	810,336	713,092
Not-for-profit workers payroll advance loans	291,000	291,000
Debt relief	97,000	97,000
Restricted to a specific area or locale	48,500	-
For refugees and asylum seekers	1,850,000	-
Other loan programs	509,712	509,712
	$ 7,939,637	$ 5,863,827

NOTE 9. ACCOUNTING AND REPORTING FOR ENDOWMENTS

The endowment

The Society's endowment was established based on its mission and consists of both donor-restricted endowment funds and funds designated by the board of directors to function as an endowment.

On September 17, 2010, New York State enacted the New York Prudent Management of Institutional Funds Act ("NYPMIFA"). The Society and its board of trustees have interpreted NYPMIFA as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. As a result of this interpretation, the Society will retain in perpetuity (a) the original value of initial and subsequent gift amounts donated to the endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added.

Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Society in a manner consistent with the standard of prudence prescribed by NYPMIFA.

NOTE 9. ACCOUNTING AND REPORTING FOR ENDOWMENTS (CONTINUED)

The Society's investment pool includes a diversified portfolio of investments. The Society's investment objective is to maximize long-term total investment returns with constraints for the fund that only moderate risk be assumed and judged on an aggregate basis for the entire fund taking into account the asset allocation of the fund. The Society's spending policy is limited to 5% of the balance in the PIA on a 12-quarter rolling basis.

Endowment net assets composition by type of fund as of June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated quasi-endowment funds	$ 2,648,467	$ -	$ 2,648,467
Donor-restricted endowment funds	-	7,939,637	7,939,637
Total endowment funds	$ 2,648,467	$ 7,939,637	$ 10,588,104

Changes in endowment net assets for the year ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Net assets - beginning of year	$ 4,043,327	$ 5,863,827	$ 9,907,154
Contributions	-	2,075,810	2,075,810
Investment loss	(743,211)	-	(743,211)
Appropriated for expenditures	(116,252)	-	(116,252)
Withdrawals	(535,397)	-	(535,397)
Net assets - end of year	$ 2,648,467	$ 7,939,637	$ 10,588,104

Endowment net assets composition by type of fund as of June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated quasi-endowment funds	$ 4,043,327	$ -	$ 4,043,327
Donor-restricted endowment funds	-	5,863,827	5,863,827
Total endowment funds	$ 4,043,327	$ 5,863,827	$ 9,907,154

Changes in endowment net assets for the year ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Net assets - beginning of year	$ 4,523,240	$ 5,479,009	$ 10,002,249
Contributions	-	384,818	384,818
Investment income	1,357,359	-	1,357,359
Transfer out to JP Morgan Mutual Fund	(1,837,272)	-	(1,837,272)
Net assets - end of year	$ 4,043,327	$ 5,863,827	$ 9,907,154

NOTE 10. PENSION PLAN

For the year ended June 30, 2021, the Society participated in a multi-employer defined benefit pension plan ("Defined Benefit Pension Plan") sponsored by the Federation of Jewish Philanthropies of New York. The Pension Plan, Retirement Plan for Employees of United Jewish Appeal-Federation of Jewish Philanthropies of New York, Inc. and Affiliated Agencies and Institutions, was filed under the Employer Identification Number 51-0172429 and the three-digit Pension Plan Number 333. The Defined Benefit Pension Plan was 76% funded using the most recent financial information as of October 1, 2018, the beginning of the Defined Benefit Pension Plan year.

The Society's employees were eligible for pension benefits covered by the Defined Benefit Pension Plan. Effective September 30, 2020, the Society has withdrawn from the Pension Plan. As a result, there was a one-time withdrawal liability of $784,028 that the Society paid in September 2020 for the year ended June 30, 2021. Pension expense for the year ended June 30, 2021, was $137,405, included in "Payroll taxes and benefits" on the accompanying statement of functional expenses. The Society did not contribute more than 5% of total contributions to the Pension Plan and was not required to pay a surcharge.

For the year ended June 30, 2022, the Society participates in a 401(k) pension plan ("Pension Plan") sponsored by The Hebrew Free Loan Society. The Pension Plan was filed under the Employer Identification Number 13-5562239 with the three-digit Pension Plan Number 001 and became effective on January 1, 2021. The Pension Plan is funded by a 3% contribution from the Society and elective contributions from the Society's employees.

The Society's employees are eligible for benefits covered by the Pension Plan. Pension expense for the year ended June 30, 2022, was $133,098, and is included in "Payroll taxes and benefits" on the accompanying statement of functional expenses.

NOTE 11. CONCENTRATIONS

The Society maintains cash and cash equivalent balances with a financial institution which are routinely in excess of Federal Deposit Insurance Corporation insurance limits.

During the years ended June 30, 2022 and 2021, respectively, the Society received 3% and 7% of its contributions from board members.

NOTE 12. COVID-19 PANDEMIC

During the 2020 fiscal year, the World Health Organization declared COVID-19 to constitute a "Public Health Emergency of International Concern." Economic uncertainties have arisen which may negatively impact support and revenue. Given the uncertainty of the situation, the duration of the disruption and related financial impact cannot be reasonably estimated at this time.

SUPPLEMENTARY INFORMATION

HEBREW FREE LOAN SOCIETY, INC.
ANALYSIS OF LOAN ACTIVITY
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	Loans	Amount	Allowance	Balance
Loans receivable - July 1, 2020	2,598	$ 19,662,029	$ (217,720)	$ 19,444,309
Loans issued	1,524	18,882,778	-	18,882,778
Loans repaid and adjusted	(1,073)	(18,895,107)	16,100	(18,879,007)
Loans receivable - June 30, 2021	3,049	19,649,700	(201,620)	19,448,080
Loans issued	1,425	24,199,193	-	24,199,193
Loans repaid and adjusted	(1,442)	(18,127,245)	(233,351)	(18,360,596)
LOANS RECEIVABLE - JUNE 30, 2022	3,032	$ 25,721,648	$ (434,971)	$ 25,286,677

See independent auditor's report.