

**LIFE TOWN, INC. AND FRIENDSHIP CIRCLE NEW JERSEY, INC.**  
**Combined Financial Statements**  
**June 30, 2023 and 2022**  
**With Independent Auditor's Report**

**Life Town, Inc. and Friendship Circle New Jersey, Inc.**  
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**June 30, 2023 and 2022**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Life Town, Inc. and Friendship Circle New Jersey, Inc.:

### Opinion

We have audited the combined financial statements of Life Town, Inc. and Friendship Circle New Jersey, Inc. (the "Organization"), which comprise the combined statements of financial position as of June 30, 2023 and 2022, and the related combined statements of activities and changes in net assets, cash flows and functional expenses for the years then ended, and the related notes to the combined financial statements.

In our opinion, the combined financial statements present fairly, in all material respects, the combined financial position of the Organization as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of the Organization, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Combined Financial Statements

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

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date that the combined financial statements are available to be issued.

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

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

In performing an audit in accordance with GAAS, we:

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

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

## Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying supplemental combining statements of financial position and combining statements of activities and changes in net assets (the "supplementary information") are presented for the purpose of additional analysis and are not a required part of the basic combined financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The supplementary information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated in all material respects in relation to the combined financial statements as a whole.

*Withum Smith + Brown, PC*

May 13, 2024

**Life Town, Inc. and Friendship Circle New Jersey, Inc.**  
**Combined Statements of Financial Position**  
**June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
Current assets		
Cash	\$ 1,172,274	\$ 1,408,600
Pledges receivable, net	1,395,662	657,594
Certificates of deposit	500,000	-
Other current assets	20,617	9,309
Total current assets	<u>3,088,553</u>	<u>2,075,503</u>
Property and equipment, net	<u>16,243,300</u>	<u>16,121,015</u>
Other assets		
Investments	<u>258,005</u>	<u>191,013</u>
Total assets	<u>\$ 19,589,858</u>	<u>\$ 18,387,531</u>
<b>Liabilities and Net Assets</b>		
Current liabilities		
Line of credit	\$ 200,096	\$ 96
Accounts payable and accrued expenses	175,172	163,038
Current portion of long-term debt	79,813	71,160
Total current liabilities	<u>455,081</u>	<u>234,294</u>
Long-term debt, net of current portion	<u>1,919,479</u>	<u>1,990,099</u>
Total liabilities	<u>2,374,560</u>	<u>2,224,393</u>
<b>Net assets</b>		
Without donor restrictions	14,901,952	14,492,698
With donor restrictions	<u>2,313,346</u>	<u>1,670,440</u>
Total net assets	<u>17,215,298</u>	<u>16,163,138</u>
Total liabilities and net assets	<u>\$ 19,589,858</u>	<u>\$ 18,387,531</u>

The Notes to Combined Financial Statements are an integral part of these statements.

**Life Town, Inc. and Friendship Circle New Jersey, Inc.**  
**Combined Statements of Activities and Changes in Net Assets**  
**Years Ended June 30, 2023 and 2022**

	2023			2022		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Support and revenue</b>						
Contributions of cash and other financial assets	\$ 1,088,669	\$ 1,327,809	\$ 2,416,478	\$ 1,113,995	\$ 169,300	\$ 1,283,295
Grants	102,321	-	102,321	47,408	-	47,408
Fundraising events, net	1,565,896	-	1,565,896	1,252,947	-	1,252,947
Program income	309,470	-	309,470	135,320	-	135,320
Investment income (loss)	542	17,492	18,034	403	(8,289)	(7,886)
Other income	6,949	-	6,949	28,726	-	28,726
	<u>3,073,847</u>	<u>1,345,301</u>	<u>4,419,148</u>	<u>2,578,799</u>	<u>161,011</u>	<u>2,739,810</u>
Net assets released from restriction	<u>702,395</u>	<u>(702,395)</u>	<u>-</u>	<u>470,545</u>	<u>(470,545)</u>	<u>-</u>
Total support and revenue	<u>3,776,242</u>	<u>642,906</u>	<u>4,419,148</u>	<u>3,049,344</u>	<u>(309,534)</u>	<u>2,739,810</u>
<b>Expenses</b>						
Program services	2,696,718	-	2,696,718	2,071,639	-	2,071,639
Management and general	408,346	-	408,346	369,435	-	369,435
Fundraising expenses	261,924	-	261,924	322,741	-	322,741
Total expenses	<u>3,366,988</u>	<u>-</u>	<u>3,366,988</u>	<u>2,763,815</u>	<u>-</u>	<u>2,763,815</u>
Changes in net assets	409,254	642,906	1,052,160	285,529	(309,534)	(24,005)
<b>Net assets</b>						
Beginning of year	<u>14,492,698</u>	<u>1,670,440</u>	<u>16,163,138</u>	<u>14,207,169</u>	<u>1,979,974</u>	<u>16,187,143</u>
End of year	<u>\$ 14,901,952</u>	<u>\$ 2,313,346</u>	<u>\$ 17,215,298</u>	<u>\$ 14,492,698</u>	<u>\$ 1,670,440</u>	<u>\$ 16,163,138</u>

The Notes to Combined Financial Statements are an integral part of these statements.

**Life Town, Inc. and Friendship Circle New Jersey, Inc.**  
**Combined Statements of Cash Flows**  
**Years Ended June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<b>Operating activities</b>		
Changes in net assets	\$ 1,052,160	\$ (24,005)
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Net present value adjustment on pledge receivables	(2,834)	(4,007)
Bad debt expense	-	43,581
Depreciation	452,179	458,260
Realized and unrealized (gains) losses on investments	(16,727)	8,289
Donated investments	(10,000)	-
Changes in assets and liabilities		
Pledges receivable	(735,234)	112,590
Other current assets	(11,308)	317
Accounts payable and accrued expenses	12,134	60,583
Proceeds from contributions restricted for construction and endowment	<u>(326,809)</u>	<u>(119,300)</u>
Net cash provided by operating activities	<u>413,561</u>	<u>536,308</u>
<b>Investing activities</b>		
Purchase of certificates of deposit	(500,000)	-
Purchases of property and equipment	(574,464)	(238,143)
Release of bonds and escrow funds	-	64,084
Purchases of investments	<u>(40,265)</u>	<u>(119,300)</u>
Net cash used in investing activities	<u>(1,114,729)</u>	<u>(293,359)</u>
<b>Financing activities</b>		
Change in line of credit	200,000	(200,000)
Proceeds from contributions restricted for construction	287,309	-
Proceeds from contributions restricted for endowment	39,500	119,300
Proceeds from issuance of long-term debt	-	350,000
Payments on long-term debt	<u>(61,967)</u>	<u>(58,684)</u>
Net cash provided by financing activities	<u>464,842</u>	<u>210,616</u>
Net change in cash	(236,326)	453,565
<b>Cash</b>		
Beginning of year	<u>1,408,600</u>	<u>955,035</u>
End of year	<u>\$ 1,172,274</u>	<u>\$ 1,408,600</u>
<b>Supplemental disclosure of cash flow information</b>		
Cash paid for interest	<u>\$ 86,880</u>	<u>\$ 105,811</u>

The Notes to Combined Financial Statements are an integral part of these statements.



**Life Town, Inc. and Friendship Circle New Jersey, Inc.**  
**Combined Statements of Functional Expenses**  
**Years Ended June 30, 2023 and 2022**

	2023				2022			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries	\$ 560,346	\$ 193,768	\$ 33,960	\$ 788,074	\$ 451,025	\$ 150,251	\$ 26,360	\$ 627,636
Payroll taxes and fringe benefits	281,554	46,561	36,072	364,187	278,234	41,232	38,579	358,045
Professional fees	112,454	43,992	-	156,446	77,482	43,788	-	121,270
Repairs and maintenance	154,645	8,591	8,591	171,827	83,222	4,623	4,623	92,468
Occupancy	32,540	1,808	2,470	36,818	55,929	3,107	3,107	62,143
Office expense, printing and postage	138,921	67,448	8,754	215,123	106,361	36,593	6,873	149,827
Interest expenses	78,192	4,344	4,344	86,880	95,229	5,291	5,291	105,811
Depreciation	407,999	22,090	22,090	452,179	414,174	22,043	22,043	458,260
Insurance	40,236	13,507	2,635	56,378	40,485	13,495	2,592	56,572
Capital campaign expenses	-	-	2,919	2,919	-	-	12,747	12,747
Advertising and promotion	8,171	2,750	139,409	150,330	12,932	2,728	100,159	115,819
Travel	10,388	3,487	680	14,555	8,110	2,703	519	11,332
Programmatic supplies and client assistance	871,272	-	-	871,272	448,456	-	99,848	548,304
Bad debt expense	-	-	-	-	-	43,581	-	43,581
	<u>\$ 2,696,718</u>	<u>\$ 408,346</u>	<u>\$ 261,924</u>	<u>\$ 3,366,988</u>	<u>\$ 2,071,639</u>	<u>\$ 369,435</u>	<u>\$ 322,741</u>	<u>\$ 2,763,815</u>

The Notes to Combined Financial Statements are an integral part of these statements.

**Life Town, Inc. and Friendship Circle New Jersey, Inc.**  
**Notes to Combined Financial Statements**  
**June 30, 2023 and 2022**

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**1. ORGANIZATION AND PURPOSE OF CORPORATION**

Life Town, Inc. (“Life Town”) was incorporated in 2012 in New Jersey as a nonprofit corporation. Life Town’s primary function is to create a center for therapeutic services and life-skills training to engage children and teens, including those with special needs, in a thoroughly enriching experience through extensive recreational, educational and therapeutic programs; develop independence for people with disabilities through role-play in Life Village, a real-life town square; be a resource for special education schools into an inclusive setting and greater involvement in the general community and to provide them with much needed respite and support; and to motivate, inspire and enrich teen and adult volunteers through sharing of themselves with others.

Friendship Circle was founded in 1996 as a project of the Rabbinical College of America. On June 18, 2013, it was incorporated in New Jersey as its own entity, Friendship Circle New Jersey, Inc. (“FCNJ”), a nonprofit corporation. FCNJ is a primary resource for families who have children or teens with special needs. Participants and their families benefit from a wide array of innovative respite, social and recreational programs. The parents enjoy some much-needed respite, secure in the knowledge that their children are in a safe, warm and welcoming environment. FCNJ’s distinctive approach of pairing participants with teen volunteers, motivates, inspires and enriches everyone involved. At the heart of all FCNJ programming is the belief that each and every individual can be a productive member of the community and benefit from inclusive programming. FCNJ also provides other educational programs and services.

Chabad of Livingston, Inc. was incorporated in New Jersey on October 27, 2014 and established as a Type III supporting organization, parent organization, and Sole Member to support Friendship Circle New Jersey, Inc. and Life Town, Inc. and is an exempt organization in accordance with IRS section 501(c)(3). There was no activity for Chabad of Livingston, Inc. during the years ended June 30, 2023 and 2022.

The Organization receives significant involvement from volunteers. The value of these services has not been reflected in the combined financial statements as they do not meet the criteria for recognition under accounting principles generally accepted in the United States of America (“US GAAP”).

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Combination**

The combined financial statements include the accounts of Life Town, Inc. and Friendship Circle New Jersey, Inc. The entities are affiliated by means of overlapping boards of directors and common management. Collectively, the two organizations are referred to in the combined financial statements as the “Organization”. All significant intercompany accounts and transactions have been eliminated in combination.

**Basis of Presentation**

The accompanying combined financial statements have been prepared on the accrual basis of accounting in accordance with US GAAP. Financial reporting by not-for-profit organizations requires that resources be classified for accounting and reporting purposes into net asset categories according to externally (donor) imposed restrictions. Based on the existence or absence of donor-imposed restrictions, the Organization classifies resources into two categories:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and the Board of Trustees.

**Life Town, Inc. and Friendship Circle New Jersey, Inc.**  
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**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Net assets received and spent in the same reporting period are reflected as net assets without restrictions.

**Estimates**

The preparation of combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the valuation of allowances of uncollectible pledges receivable, and the calculation of depreciation. Accordingly, actual results may differ from those estimates.

**Income Taxes**

Lifetown, Inc. and Friendship Circle, Inc. are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code ("IRC") and state income taxes under similar provisions. They are required to file charitable registrations in states where they solicit contributions. Accordingly, no provision or liability for income taxes has been recorded in the combined financial statements. There were no uncertain tax positions at June 30, 2023 and 2022. Lifetown, Inc. and Friendship Circle, Inc. did not have any income tax related penalties or interest for the years ended June 30, 2023 and 2022.

**Revenue and Support Recognition**

*Contributions and Grants*

The Organization recognizes contributions, including unconditional promises to give, as revenue in the period received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right to return, are not recognized in revenue until the conditions on which they depend have been substantially met. Contributions, net assets and changes therein are classified and reported based on the existence or absence of donor-imposed restrictions. Revenue from government and private grant and contract agreements, which are generally considered non-exchange transactions, is recognized when qualifying expenditures are incurred and conditions under the agreements are met. Grant funds received in advance of the expenditures incurred are recorded as refundable advances. Grant funds expended in advance of reimbursement from the funding source are classified as grants and contracts receivable in the combined statements of financial position. The Organization had no conditional awards at June 30, 2023.

*Fundraising Events*

Fundraising revenue is comprised of payments received from third parties (individuals and corporations) to support and/or attend fundraising events. Fundraising revenue includes an exchange transaction component for the value of the goods or services received, which follows revenue recognition guidance under ASC Topic 606. The amount paid by individuals and corporations that is above the value of goods or services received is considered a contribution. Revenue is recognized at the point in time the fundraising event occurs.

*Program Income*

Program income represents activities held for program participants and is recorded in the period the activities are held.

**Life Town, Inc. and Friendship Circle New Jersey, Inc.**  
**Notes to Combined Financial Statements**  
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**Functional Expenses**

The costs of supporting the various programs and other activities have been summarized on a functional basis in the combined statements of functional expenses. Costs that can be identified with a specific program or support service are charged directly to that program or support service. Accordingly, certain costs have been allocated among program services, management and general and fundraising functions. Such allocations are determined by management on an equitable basis.

The expenses that are allocated and the method of allocation are as follows:

<u>Expense Category</u>	<u>Allocation Methodology</u>
Salaries and fringe benefits	Time and effort
Occupancy	Square footage
Depreciation	Square footage
Interest	Square footage
Repairs and maintenance	Square footage
Office expense, printing and postage	Salaries
Insurance	Salaries
Travel	Salaries

**Certificates of Deposit**

The Organization has a certificate of deposit amounting to \$500,000 at June 30, 2023. There were no certificates of deposit at June 30, 2022. Certificates of deposit are valued at cost plus accrued interest. Such interest-bearing deposits in banks have original maturities of 6 months, with penalties for early withdrawal. The interest rate was 5% as of June 30, 2023. In accordance with US GAAP, interest is recorded when earned. The certificate of deposit matures in December 2023.

**Investments**

The Organization's investments in equity securities with readily determinable fair values and all investments in traded debt securities are reported at fair value. Security transactions and related expenses are accounted for on a trade date basis. Realized and unrealized gains and losses are included in investment income (loss) in the accompanying combined statements of activities and changes in net assets. Investment expenses, including direct internal and external investment expenses, are shown net of investment income (loss). Investment income (loss) is allocated between with and without donor restrictions based on state law.

**Fair Value Measurements**

The Organization applies fair value accounting for all financial assets and liabilities that are recognized at fair value in the combined financial statements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Fair values should be based on the assumptions market participants use when pricing an asset.

US GAAP establishes a fair value hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value by giving the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to the Organization's assumptions (unobservable inputs). The Organization groups assets at fair value in their levels, based on the markets in which the assets and liabilities are traded, and the reliability of the assumptions used to determine fair value. These levels are:

Level 1 - Quoted market prices in active markets for identical assets and liabilities to the extent possible.

**Life Town, Inc. and Friendship Circle New Jersey, Inc.**  
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Level 2 - Other observable inputs, including quoted market prices of similar assets and liabilities in active and inactive markets, quoted prices for identical or similar assets in non-active markets, and other inputs.

Level 3 - Unobservable inputs that cannot be corroborated by observable market data.

The Organization's investment assets consist of investments in pooled funds and bonds. Bonds are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market-rate assumptions, and are classified within Level 2. Investments in pooled funds are treated using the practical expedient for net asset value. Investments maintained in an investment pool are valued using the practical expedient of net asset value as fair value. Income and losses arising from the ownership or disposition of pooled investments are allocated to the various funds based on the percentage of ownership-interest of such funds in the investment pool.

**Property and Equipment**

Property and equipment is recorded at cost less accumulated depreciation, except for donated items which are recorded at fair value based on the assessed value at the date of donation. When donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as without donor restricted support. Depreciation is provided over the estimated useful lives of the assets using the straight-line method. The depreciable years utilized by major asset categories are as follows:

<u>Description</u>	<u>Estimated Life (Years)</u>
Building	40
Building improvements	10
Equipment	5
Website	3

When an asset is sold or retired, the cost and accumulated depreciation are removed from the respective accounts. Maintenance, repairs and minor renewals are charged to operations as incurred.

**Valuation of Long-Lived Assets**

The Organization reviews long-lived assets for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. Impairment is present when the sum of undiscounted estimated future cash flows expected to result from use of the assets is less than carrying value. If impairment is present, the carrying value of the impaired asset is reduced to its fair value. Fair value is determined based on discounted cash flows or appraised values, depending on the nature of the assets. Management has determined that no impairment charge was required for the years presented in these combined financial statements.

**Advertising Expenses**

Advertising expenses are expensed in the period incurred. Advertising expenses amounted to \$150,330 and \$115,819 at June 30, 2023 and 2022, respectively.

**Life Town, Inc. and Friendship Circle New Jersey, Inc.**  
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**Contributions of Nonfinancial Assets**

The Organization records non-cash donations of occupancy and services at the fair market value of those items. The Organization received no contributions of nonfinancial assets for the years ended June 30, 2023 and 2022.

**Leases**

The Organization categorizes leases with contractual terms longer than twelve months as either operating or finance. Finance leases are generally those leases that allow the Organization to substantially utilize or pay for the entire asset over its estimated life. All other leases are categorized as operating leases. Leases with contractual terms of 12 months or less are not recorded on the combined statement of financial position. The Organization had no finance leases during 2023.

**Accounting Pronouncements Adopted in the Current Period**

*Leases*

In February 2016, the Financial Accounting Standards Board (“FASB”) issued an Accounting Standards Update (“ASU”) amending the accounting for leases. The Organization adopted the new standard effective July 1, 2022, using the modified retrospective approach. Comparative prior periods were not adjusted upon adoption, as the Organization utilized the practical expedient available under the guidance. Further, the Organization elected to implement the package of practical expedients, whereby the Organization did not (i) reassess existing contracts for embedded leases, (ii) reassess existing lease agreements for finance or operating classification, or (iii) reassess existing lease agreements in consideration of initial direct costs. The implementation of this standard did not have a material impact to the combined statements of activities and changes in net assets. There was no cumulative effect of applying the new standard and accordingly there was no adjustment to net assets upon adoption.

**Cash and Cash Equivalents**

The Organization considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents. The Organization did not have cash equivalents at June 30, 2023 and 2022.

**Measure of Operations**

The statements of activities and changes in net assets reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities reflect all transactions attributable to the Organization’s ongoing programs. Non-operating activities reflect transactions considered to be nonrecurring nature or not directly relating to the Organization’s mission. At June 30, 2023 and 2022, the Organization did not have any non-operating activities.

**New Accounting Pronouncement Not Yet Adopted**

In June 2016, the FASB issued ASU 2016-13, *Measurement of Credit Losses on Financial Instruments*, which is effective for fiscal years beginning after December 15, 2022, and requires an organization to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Financial institutions will now use forward-looking information to better inform their credit loss estimates. The Organization is currently evaluating the effect that this pronouncement will have on its combined financial statements and related disclosures.

**Life Town, Inc. and Friendship Circle New Jersey, Inc.**  
**Notes to Combined Financial Statements**  
**June 30, 2023 and 2022**

**3. FINANCIAL ASSETS AND LIQUIDITY RESOURCES**

As of June 30, 2023 and 2022, the Organization's liquidity resources and financial assets available within one year for general expenditures, such as operating expenses, payment of accounts payable and other expenditures, were as follows:

	<u>2023</u>	<u>2022</u>
Financial assets		
Cash	\$ 1,172,274	\$ 1,408,600
Pledges receivable, net	1,395,662	657,594
Certificates of deposit	500,000	-
Investments	<u>258,005</u>	<u>191,013</u>
	3,325,941	2,257,207
Less: Net assets with donor restrictions (see Note 9)	(2,313,346)	(1,670,440)
Plus: Available line of credit	<u>799,904</u>	<u>999,904</u>
Financial assets and liquidity resources available within one year	<u>\$ 1,812,499</u>	<u>\$ 1,586,671</u>

The Organization receives funding from individual donors and program fees. The majority of the fundraising activities are used to pay for operating expenditures. Bills are paid as they come due, and a line of credit is available and will be utilized in the event of a cash flow shortfall (Note 7).

**4. PLEDGES RECEIVABLE**

Pledges are recognized when the donor's commitment is received. The pledges are recognized at the estimated present value of future cash flows. Pledges receivable at June 30 are as follows:

	<u>2023</u>	<u>2022</u>
Due in one year or less	\$ 1,441,904	\$ 767,472
Due between one and five years	<u>-</u>	<u>-</u>
Pledges receivable, gross	1,441,904	767,472
Less: Net present value adjustment at 1%	-	(2,834)
Allowance for uncollectible pledges	<u>(46,242)</u>	<u>(107,044)</u>
Pledges receivable, net	<u>\$ 1,395,662</u>	<u>\$ 657,594</u>

**5. INVESTMENTS**

Carrying value of investments was as follows as of June 30:

	<u>2023</u>	<u>2022</u>
Investments in pooled funds	\$ 248,005	\$ 191,013
Bonds	<u>10,000</u>	<u>-</u>
	<u>\$ 258,005</u>	<u>\$ 191,013</u>

**Life Town, Inc. and Friendship Circle New Jersey, Inc.**  
**Notes to Combined Financial Statements**  
**June 30, 2023 and 2022**

Net investment return related to the pooled investments was comprised of the following for the years ended June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Realized gains	\$ 3,560	\$ 7,801
Unrealized gains (losses)	13,167	(16,979)
Interest and dividends	3,397	2,134
Investment fees	<u>(2,090)</u>	<u>(1,245)</u>
	<u>\$ 18,034</u>	<u>\$ (8,289)</u>

Investments at fair value are as follows at June 30:

	<u>2023</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Net Asset Value</u>	<u>Total</u>
Investments in pooled funds	\$ -	\$ -	\$ -	\$ 248,005	\$ 248,005
Bonds	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ 248,005</u>	<u>\$ 258,005</u>
	<u>2022</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Net Asset Value</u>	<u>Total</u>
Investments in pooled funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 191,013</u>	<u>\$ 191,013</u>

The follow information relates to the investments in pooled funds at net asset value:

<u>Category of Investment</u>	<u>Investment Strategy</u>	<u>Amount June 30, 2023</u>	<u>Amount June 30, 2022</u>	<u>Unfunded Commitments</u>	<u>Redemption Terms</u>	<u>Redemption Restrictions</u>
Pooled fund	Long-Term Growth	\$ 248,005	\$ 191,013	None	None	None

**6. PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following at June 30:

	<u>2023</u>	<u>2022</u>
Land	\$ 775,000	\$ 775,000
Building	16,882,026	16,882,026
Building improvements	122,185	115,771
Equipment	40,650	33,517
Website	55,233	55,233
Construction in progress	<u>560,917</u>	<u>-</u>
Total property and equipment, at cost	18,436,011	17,861,547
Less: Accumulated depreciation	<u>2,192,711</u>	<u>1,740,532</u>
Total property and equipment, net	<u>\$ 16,243,300</u>	<u>\$ 16,121,015</u>



**Life Town, Inc. and Friendship Circle New Jersey, Inc.**  
**Notes to Combined Financial Statements**  
**June 30, 2023 and 2022**

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Depreciation expense amounted to \$452,179 and \$458,260 for the years ended June 30, 2023 and 2022, respectively.

Construction in progress represents renovations to the building which are expected to be placed in service in fiscal year 2024. Outstanding construction commitments as of June 30, 2023 totaled \$350,000.

**7. LINE OF CREDIT**

Life Town has a \$1,000,000 line of credit, bearing interest at the prevailing prime rate (8.25% and 4.75% at June 30, 2023 and 2022, respectively), as published in the *Wall Street Journal*, plus 1.50% with a floor of 5%. The line of credit has a maturity date of June 4, 2024. The line of credit is secured by the building located at 10 Microlab Road, Livingston, NJ. The outstanding line of credit balance at June 30, 2023 and 2022 was \$200,096 and \$96, respectively.

**8. LONG-TERM DEBT**

A summary of long-term debt obligations at June 30 is as follows:

	<u>2023</u>	<u>2022</u>
Mortgage note collateralized by building of Life Town, Inc. The note bears interest at 5.375% per annum for a term of 25 years through July 2038. Monthly payment including interest is \$12,127.	\$ 1,499,292	\$ 1,561,259
Loan payable - \$500,000 from the Small Business Administration ("SBA"), an agency of the U.S. Government, through the Economic Injury Disaster Loan program. The loan is payable in monthly installments of principal and interest of \$2,202 beginning in December 15, 2022 for a term of 30 years at an interest rate of 2.75%.	<u>500,000</u>	<u>500,000</u>
	1,999,292	2,061,259
Less: Current portion of long-term debt	<u>79,813</u>	<u>71,160</u>
	<u>\$ 1,919,479</u>	<u>\$ 1,990,099</u>

Maturities of the long-term debt in each of the next five years are as follows:

2024	\$ 79,813
2025	83,659
2026	87,342
2027	91,571
2028	95,646
Thereafter	<u>1,561,261</u>
	<u>\$ 1,999,292</u>

**Life Town, Inc. and Friendship Circle New Jersey, Inc.**  
**Notes to Combined Financial Statements**  
**June 30, 2023 and 2022**

**9. NET ASSETS**

Components of net assets with donor restrictions at June 30 were as follows:

	<u>2023</u>	<u>2022</u>
Time restricted	\$ 1,000,000	\$ -
Purpose restriction		
Building Fund	1,055,751	1,466,988
Security upgrades	7,385	11,234
Virtual programming	1,205	1,205
Endowment	<u>249,005</u>	<u>191,013</u>
Total purpose restrictions	<u>1,313,346</u>	<u>1,670,440</u>
Total net assets with donor restrictions	<u>\$ 2,313,346</u>	<u>\$ 1,670,440</u>

Net assets with donor restrictions released in the years ended June 30 were as follows:

	<u>2023</u>	<u>2022</u>
Building Fund	\$ 698,546	\$ 406,779
Security upgrades	3,849	38,766
Virtual programming	<u>-</u>	<u>25,000</u>
	<u>\$ 702,395</u>	<u>\$ 470,545</u>

**10. ENDOWMENT FUNDS**

**Description of Fund**

The Organization established its Legacy Endowment Campaign which is intended to help the Organization provide a steady investment revenue stream to fund future operations.

**Interpretation of Relevant Law**

The Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) provides guidance on the maintenance and spending of endowment funds when the intent of the donors is not clear. UPMIFA provides guidelines for the expenditure of an endowment fund, absent explicit donor stipulations. UPMIFA eliminated the requirement for a permanent endowment to be maintained at its historic dollar value amount and instead allows not-for-profits to adopt prudent spending policies. As a result, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment and (b) the original value of subsequent gifts to the permanent endowment. The Organization restricts the investment earnings on the endowment funds until appropriated for expenditure. The Organization considers the following factors in making a determination to distribute or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Organization
- (7) The investment policies of the Organization

**Life Town, Inc. and Friendship Circle New Jersey, Inc.**  
**Notes to Combined Financial Statements**  
**June 30, 2023 and 2022**

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**Return Objectives and Risk Parameters**

The Organization has adopted investment and spending policies for long-term assets that attempt to provide a predictable stream of funding to programs supported by its long-term assets while seeking to maintain the purchasing power of these assets. Under this policy, as approved by the Board of Trustees, long-term assets are invested with a Community Foundation in a manner that is intended to accomplish these goals.

**Strategies Employed for Achieving Objectives**

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation.

**Spending Policy and How the Investment Objectives Relate to Spending Policy**

The Organization has a policy of distributing annually each year 5% of its long-term assets' average fair value over the prior ending thirteen quarters through the fiscal year-end of the preceding fiscal year in which the distribution is planned. In establishing this policy, the Organization considered the long-term expected return on its assets. This is consistent with the Organization's objective to maintain the purchasing power of the long-term assets held, as well as to provide additional real growth through new gifts and investment return.

The following table provides information regarding the change in endowment net assets for the years ended June 30:

	<u>2023</u>	<u>2022</u>
<b>Endowment net assets, beginning of year</b>	\$ 191,013	\$ 80,002
Contributions received	39,500	119,300
Investment income (loss)	17,492	(8,289)
Amounts appropriated for expenditure	-	-
<b>Endowment net assets, end of year</b>	<u>\$ 248,005</u>	<u>\$ 191,013</u>

**Investment by type of fund**

Donor restricted "true" endowment		
Historical gift value	\$ 234,836	\$ 194,336
Net accumulated earnings (losses)	13,169	(3,323)
	<u>\$ 248,005</u>	<u>\$ 191,013</u>

**Underwater Endowment Funds**

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or state law requires the Organization to retain as a fund of perpetual duration. Deficiencies of this nature exist for accumulated donor-restricted endowment funds. The Organization had 28 Funds which had an original gift value of approximately \$233,836, a current fair value approximately of \$248,836, and accumulated earnings of approximately \$14,168 as of June 30, 2023. There were no funds with historical gift value deficiencies as of June 30, 2023. As of June 30, 2022, the funds had an original gift value of approximately \$119,300, a current fair value approximately of \$114,338, and a deficiency of approximately \$4,962.

**Life Town, Inc. and Friendship Circle New Jersey, Inc.**  
**Notes to Combined Financial Statements**  
**June 30, 2023 and 2022**

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**11. RELATED PARTY TRANSACTIONS**

Life Town has a line of credit and mortgage with an institution in which a board member of the Organization is the Chairman of the Board of the financial institution (see Notes 7 and 8).

**12. CONCENTRATIONS**

**Concentration of Credit Risk**

Financial instruments which potentially subject the Organization to concentrations of credit risk consist of cash and pledges receivable.

The Organization has significant cash balances at financial institutions which throughout the year regularly exceed the federally insured limit of \$250,000. Any loss incurred or a lack of access to such funds could have a significant adverse impact on the Organization's financial condition, changes in net assets, and cash flows.

Concentrations of credit risk with respect to pledges receivable are limited due to the large number of contributors comprising the Organization's contributor base. One donor concentration existed in 2023 which resulted in a 76% concentration of the total pledge receivable balance due. There was one donor concentration that existed in 2022 which resulted in a 27% concentration of the total pledge balance due.

**Investment Risk**

The Organization invests in various investments which are exposed to various risks such as interest rates, credit and overall volatility risks. Due to the level of risk with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the Organization's account balances and the amounts reported in the accompanying combined financial statements.

**13. COMMITMENTS**

*Solar Agreement*

In April 2019, the Organization entered into an agreement to utilize solar panels expiring in April 2029. The Organization is responsible for early termination fees if the agreement is cancelled before 10 years and is responsible for energy output costs. The output costs are considered variable lease payments based on energy output and are included in occupancy expense on the statement of functional expenses.

*Lease Agreement*

Life Town entered into a lease agreement with FCNJ in June 2013. The term of the lease is for seven years through June 2020 at \$350,000 per year. The lease was extended five years with an expiration of June 2025. Rental income and expense have been eliminated in the combination.

**14. SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events occurring after the combined statement of financial position date through May 13, 2024, the date the combined financial statements were available to be issued. Based upon this evaluation, the Organization has determined that no subsequent events have occurred which require disclosure in or adjustment to the combined financial statements.

## **SUPPLEMENTARY INFORMATION**

**Life Town, Inc. and Friendship Circle New Jersey, Inc.**  
**Combining Statement of Financial Position**  
**June 30, 2023**

	<u>Life Town, Inc.</u>	<u>Friendship Circle</u>	<u>Total</u>	<u>Eliminations</u>	<u>Total</u>
<b>Assets</b>					
Current assets					
Cash	\$ 76,525	\$ 1,095,749	\$ 1,172,274	\$ -	\$ 1,172,274
Pledges receivable, net	1,178,878	216,784	1,395,662	-	1,395,662
Due from affiliate	450,046	-	450,046	(450,046)	-
Certificates of deposit	-	500,000	500,000	-	500,000
Other current assets	3,821	16,796	20,617	-	20,617
Total current assets	<u>1,709,270</u>	<u>1,829,329</u>	<u>3,538,599</u>	<u>(450,046)</u>	<u>3,088,553</u>
Property and equipment, net	<u>16,230,713</u>	<u>12,587</u>	<u>16,243,300</u>	<u>-</u>	<u>16,243,300</u>
Other assets					
Investments	248,005	10,000	258,005	-	258,005
Total assets	<u>\$ 18,187,988</u>	<u>\$ 1,851,916</u>	<u>\$ 20,039,904</u>	<u>\$ (450,046)</u>	<u>\$ 19,589,858</u>
<b>Liabilities and Net Assets</b>					
Current liabilities					
Line of credit	\$ 200,096	\$ -	\$ 200,096	\$ -	\$ 200,096
Accounts payable and accrued expenses	123,842	51,330	175,172	-	175,172
Due to affiliate	-	450,046	450,046	(450,046)	-
Current portion of long-term debt	79,813	-	79,813	-	79,813
Total current liabilities	<u>403,751</u>	<u>501,376</u>	<u>905,127</u>	<u>(450,046)</u>	<u>455,081</u>
Long-term debt, net of current portion	<u>1,419,479</u>	<u>500,000</u>	<u>1,919,479</u>	<u>-</u>	<u>1,919,479</u>
Total liabilities	<u>1,823,230</u>	<u>1,001,376</u>	<u>2,824,606</u>	<u>(450,046)</u>	<u>2,374,560</u>
<b>Net assets</b>					
Without donor restrictions	14,051,412	850,540	14,901,952	-	14,901,952
With donor restrictions	<u>2,313,346</u>	<u>-</u>	<u>2,313,346</u>	<u>-</u>	<u>2,313,346</u>
Total net assets	<u>16,364,758</u>	<u>850,540</u>	<u>17,215,298</u>	<u>-</u>	<u>17,215,298</u>
Total liabilities and net assets	<u>\$ 18,187,988</u>	<u>\$ 1,851,916</u>	<u>\$ 20,039,904</u>	<u>\$ (450,046)</u>	<u>\$ 19,589,858</u>

See Independent Auditor's Report.

**Life Town, Inc. and Friendship Circle New Jersey, Inc.**  
**Combining Statement of Financial Position**  
**June 30, 2022**

	<u>Life Town, Inc.</u>	<u>Friendship Circle</u>	<u>Total</u>	<u>Eliminations</u>	<u>Total</u>
<b>Assets</b>					
Current assets					
Cash	\$ 81,645	\$ 1,326,955	\$ 1,408,600	\$ -	\$ 1,408,600
Pledges receivable, net	432,419	225,175	657,594	-	657,594
Due from affiliate	536,891	-	536,891	(536,891)	-
Other current assets	<u>1,568</u>	<u>7,741</u>	<u>9,309</u>	<u>-</u>	<u>9,309</u>
Total current assets	<u>1,052,523</u>	<u>1,559,871</u>	<u>2,612,394</u>	<u>(536,891)</u>	<u>2,075,503</u>
Property and equipment, net	<u>16,105,175</u>	<u>15,840</u>	<u>16,121,015</u>	<u>-</u>	<u>16,121,015</u>
Other assets					
Investments	<u>191,013</u>	<u>-</u>	<u>191,013</u>	<u>-</u>	<u>191,013</u>
Total other assets	<u>191,013</u>	<u>-</u>	<u>191,013</u>	<u>-</u>	<u>191,013</u>
Total assets	<u>\$ 17,348,711</u>	<u>\$ 1,575,711</u>	<u>\$ 18,924,422</u>	<u>\$ (536,891)</u>	<u>\$ 18,387,531</u>
<b>Liabilities and Net Assets</b>					
Current liabilities					
Line of credit	\$ 96	\$ -	\$ 96	\$ -	\$ 96
Accounts payable and accrued expenses	89,758	71,308	161,066	1,972	163,038
Due to affiliate	-	538,863	538,863	(538,863)	-
Current portion of long-term debt	<u>71,160</u>	<u>-</u>	<u>71,160</u>	<u>-</u>	<u>71,160</u>
Total current liabilities	<u>161,014</u>	<u>610,171</u>	<u>771,185</u>	<u>(536,891)</u>	<u>234,294</u>
Long-term debt, net of current portion	<u>1,490,099</u>	<u>500,000</u>	<u>1,990,099</u>	<u>-</u>	<u>1,990,099</u>
Total liabilities	<u>1,651,113</u>	<u>1,110,171</u>	<u>2,761,284</u>	<u>(536,891)</u>	<u>2,224,393</u>
<b>Net assets</b>					
Without donor restrictions	14,027,158	465,540	14,492,698	-	14,492,698
With donor restrictions	<u>1,670,440</u>	<u>-</u>	<u>1,670,440</u>	<u>-</u>	<u>1,670,440</u>
Total net assets	<u>15,697,598</u>	<u>465,540</u>	<u>16,163,138</u>	<u>-</u>	<u>16,163,138</u>
Total liabilities and net assets	<u>\$ 17,348,711</u>	<u>\$ 1,575,711</u>	<u>\$ 18,924,422</u>	<u>\$ (536,891)</u>	<u>\$ 18,387,531</u>

See Independent Auditor's Report.

**Life Town, Inc. and Friendship Circle New Jersey, Inc.**  
**Combining Statement of Activities and Changes in Net Assets**  
**Year Ended June 30, 2023**

	Life Town, Inc.			Friendship Circle			Eliminations	Total		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total		Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and revenue</b>										
Contributions of cash and other financial assets	\$ 130,343	\$ 1,327,809	\$ 1,458,152	\$ 958,326	\$ -	\$ 958,326	\$ -	\$ 1,088,669	\$ 1,327,809	\$ 2,416,478
Grants	-	-	-	102,321	-	102,321	-	102,321	-	102,321
Fundraising events, net	-	-	-	1,565,896	-	1,565,896	-	1,565,896	-	1,565,896
Program income	156,712	-	156,712	152,758	-	152,758	-	309,470	-	309,470
Investment income	(1,032)	17,492	16,460	1,574	-	1,574	-	542	17,492	18,034
Rental income	350,000	-	350,000	-	-	-	(350,000)	-	-	-
Other income	-	-	-	6,949	-	6,949	-	6,949	-	6,949
	<u>636,023</u>	<u>1,345,301</u>	<u>1,981,324</u>	<u>2,787,824</u>	<u>-</u>	<u>2,787,824</u>	<u>(350,000)</u>	<u>3,073,847</u>	<u>1,345,301</u>	<u>4,419,148</u>
Net assets released from restriction	<u>702,395</u>	<u>(702,395)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>702,395</u>	<u>(702,395)</u>	<u>-</u>
Total support and revenue	<u>1,338,418</u>	<u>642,906</u>	<u>1,981,324</u>	<u>2,787,824</u>	<u>-</u>	<u>2,787,824</u>	<u>(350,000)</u>	<u>3,776,242</u>	<u>642,906</u>	<u>4,419,148</u>
<b>Expenses</b>										
Program services	776,583	-	776,583	2,235,135	-	2,235,135	(315,000)	2,696,718	-	2,696,718
Management and general	80,957	-	80,957	344,889	-	344,889	(17,500)	408,346	-	408,346
Fundraising	41,719	-	41,719	237,705	-	237,705	(17,500)	261,924	-	261,924
Total expenses	<u>899,259</u>	<u>-</u>	<u>899,259</u>	<u>2,817,729</u>	<u>-</u>	<u>2,817,729</u>	<u>(350,000)</u>	<u>3,366,988</u>	<u>-</u>	<u>3,366,988</u>
Change in net assets before forgiveness of debt from affiliates	439,159	642,906	1,082,065	(29,905)	-	(29,905)	-	409,254	642,906	1,052,160
Forgiveness of debt from affiliates	<u>(414,905)</u>	<u>-</u>	<u>(414,905)</u>	<u>414,905</u>	<u>-</u>	<u>414,905</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Changes in net assets	24,254	642,906	667,160	385,000	-	(29,905)	-	409,254	642,906	1,052,160
<b>Net assets</b>										
Beginning of year	<u>14,027,158</u>	<u>1,670,440</u>	<u>15,697,598</u>	<u>465,540</u>	<u>-</u>	<u>465,540</u>	<u>-</u>	<u>14,492,698</u>	<u>1,670,440</u>	<u>16,163,138</u>
End of year	<u>\$ 14,051,412</u>	<u>\$ 2,313,346</u>	<u>\$ 16,364,758</u>	<u>\$ 850,540</u>	<u>\$ -</u>	<u>\$ 435,635</u>	<u>\$ -</u>	<u>\$ 14,901,952</u>	<u>\$ 2,313,346</u>	<u>\$ 17,215,298</u>

See Independent Auditor's Report.



**Life Town, Inc. and Friendship Circle New Jersey, Inc.**  
**Combining Statement of Activities and Changes in Net Assets**  
**Year Ended June 30, 2022**

	Life Town, Inc.			Friendship Circle			Eliminations	Total		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total		Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and revenue</b>										
Contributions of cash and other financial assets	\$ 363,547	\$ 169,300	\$ 532,847	\$ 750,448	\$ -	\$ 750,448	\$ -	\$ 1,113,995	\$ 169,300	\$ 1,283,295
Grants	-	-	-	47,408	-	47,408	-	47,408	-	47,408
Fundraising events, net	-	-	-	1,252,947	-	1,252,947	-	1,252,947	-	1,252,947
Program income	40,365	-	40,365	94,955	-	94,955	-	135,320	-	135,320
Investment income (loss)	(430)	(8,289)	(8,719)	833	-	833	-	403	(8,289)	(7,886)
Rental income	350,000	-	350,000	-	-	-	(350,000)	-	-	-
Other income	-	-	-	28,726	-	28,726	-	28,726	-	28,726
	753,482	161,011	914,493	2,175,317	-	2,175,317	(350,000)	2,578,799	161,011	2,739,810
Net assets released from restriction	470,545	(470,545)	-	-	-	-	-	470,545	(470,545)	-
Total support and revenue	1,224,027	(309,534)	914,493	2,175,317	-	2,175,317	(350,000)	3,049,344	(309,534)	2,739,810
<b>Expenses</b>										
Program services	746,407	-	746,407	1,640,232	-	1,640,232	(315,000)	2,071,639	-	2,071,639
Management and general	114,474	-	114,474	272,461	-	272,461	(17,500)	369,435	-	369,435
Fundraising expenses	45,655	-	45,655	294,586	-	294,586	(17,500)	322,741	-	322,741
Total expenses	906,536	-	906,536	2,207,279	-	2,207,279	(350,000)	2,763,815	-	2,763,815
Change in net assets	317,491	(309,534)	7,957	(31,962)	-	(31,962)	-	285,529	(309,534)	(24,005)
<b>Net assets</b>										
Beginning of year	13,709,667	1,979,974	15,689,641	497,502	-	497,502	-	14,207,169	1,979,974	16,187,143
End of year	\$ 14,027,158	\$ 1,670,440	\$ 15,697,598	\$ 465,540	\$ -	\$ 465,540	\$ -	\$ 14,492,698	\$ 1,670,440	\$ 16,163,138

See Independent Auditor's Report.