

GERIATRIC SERVICES, INC. AND AFFILIATE
COMBINED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
YEARS ENDED DECEMBER 31, 2023 AND 2022



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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Geriatric Services, Inc. and Affiliate
Teaneck, New Jersey

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying combined financial statements of Geriatric Services, Inc. and Affiliate ("Organization"), both New Jersey nonprofit corporations, which comprise the combined statements of financial position as of December 31, 2023 and 2022, and the related combined statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 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) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 the combined financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the 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 auditors' 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 and *Government 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 combined financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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.

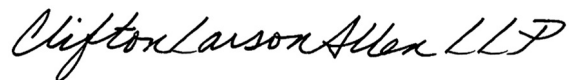
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying supplementary information, including the combining statements of financial position, the combining statements of activities and changes in net assets, and the combining statements of functional expenses on pages 22-27, is presented for purposes of additional analysis and is not a required part of the combined financial statements. The accompanying schedules of expenditures of federal and state awards on pages 28-29, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for the purpose of additional analysis and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the combined financial statements.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 1, 2024, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Livingston, New Jersey
July 1, 2024

**GERIATRIC SERVICES, INC. AND AFFILIATE
COMBINED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022**

ASSETS	2023	2022
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 57,102	\$ 384,035
Contributions Receivable	66,500	126,500
Grant Receivable	192,500	32,210
Accounts Receivable	251,349	227,456
Allowance for Credit Losses	(131,000)	(130,000)
Prepaid Expenses	12,869	29,163
Residents' Personal Needs Allowance	14,483	14,483
Total Current Assets	463,803	683,847
PROPERTY AND EQUIPMENT, Net	6,643,961	6,217,905
LOANS RECEIVABLE	11,614,050	11,614,050
INVESTMENTS	256,571	505,579
OTHER ASSETS	750	750
Total Assets	\$ 18,979,135	\$ 19,022,131
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 492,294	\$ 835,037
Prepaid Residents' Fees	10,713	17,776
Long-Term Debt, Current Portion	3,731	3,630
Residents' Personal Needs Allowance	26,664	24,647
Total Current Liabilities	533,402	881,090
LONG-TERM DEBT, NET OF CURRENT PORTION	13,784,755	13,483,508
Total Liabilities	14,318,157	14,364,598
COMMITMENTS AND CONTINGENCIES		
NET ASSETS		
Without Donor Restrictions	3,561,155	3,494,225
With Donor Restrictions	1,099,823	1,163,308
Total Net Assets	4,660,978	4,657,533
Total Liabilities and Net Assets	\$ 18,979,135	\$ 19,022,131

See accompanying Notes to Combined Financial Statements.

GERIATRIC SERVICES, INC. AND AFFILIATE
COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND OTHER SUPPORT			
Resident Services Revenue	\$ 3,860,162	\$ -	\$ 3,860,162
Contributions	237,998	415,000	652,998
Government Grants	362,977	304,823	667,800
Special Event Revenues, Net	60,217	-	60,217
Interest Income, Net	10,328	-	10,328
Resident Community Fee	42,000	-	42,000
Unrealized and Realized Gain on Investments	31,769	-	31,769
Miscellaneous Income	2,806	-	2,806
Net Assets Released from Restrictions	783,308	(783,308)	-
Total Revenue and Other Support	5,391,565	(63,485)	5,328,080
EXPENSES			
Program Services	4,798,102	-	4,798,102
Management and General	478,360	-	478,360
Fundraising	48,173	-	48,173
Total Expenses	5,324,635	-	5,324,635
CHANGES IN NET ASSETS	66,930	(63,485)	3,445
Net Assets, Beginning of Year	3,494,225	1,163,308	4,657,533
NET ASSETS - END OF YEAR	\$ 3,561,155	\$ 1,099,823	\$ 4,660,978

See accompanying Notes to Combined Financial Statements.

GERIATRIC SERVICES, INC. AND AFFILIATE
COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND OTHER SUPPORT			
Resident Services Revenue	\$ 3,069,521	\$ -	\$ 3,069,521
Contributions	434,215	182,000	616,215
Government Grants	425,352	1,145,177	1,570,529
Special Event Revenues, Net	19,083	-	19,083
Interest Income, Net	14,045	-	14,045
Resident Community Fee	8,700	-	8,700
Unrealized and Realized Loss on Investments	(79,267)	-	(79,267)
Miscellaneous Income	454	-	454
Net Assets Released from Restrictions	1,327,982	(1,327,982)	-
Total Revenue and Other Support	<u>5,220,085</u>	<u>(805)</u>	<u>5,219,280</u>
EXPENSES			
Program Services	4,288,244	-	4,288,244
Management and General	518,203	-	518,203
Fundraising	44,531	-	44,531
Total Expenses	<u>4,850,978</u>	<u>-</u>	<u>4,850,978</u>
CHANGES IN NET ASSETS	369,107	(805)	368,302
Net Assets, Beginning of Year	<u>3,125,118</u>	<u>1,164,113</u>	<u>4,289,231</u>
NET ASSETS - END OF YEAR	<u><u>\$ 3,494,225</u></u>	<u><u>\$ 1,163,308</u></u>	<u><u>\$ 4,657,533</u></u>

See accompanying Notes to Combined Financial Statements.

**GERIATRIC SERVICES, INC. AND AFFILIATE
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023**

	Program Services	Support Services		Total Program and Support Services
		Management and General	Fundraising	
Salaries and Wages	\$ 2,852,117	\$ 321,060	\$ 28,699	\$ 3,201,876
Managing Agent Fee	116,250	6,250	2,500	125,000
Payroll Taxes	294,293	31,410	3,049	328,752
Employee Benefits	230,091	22,667	2,481	255,239
Total Salaries and Related Expenses	3,492,751	381,387	36,729	3,910,867
Dietary Expense	224,056	1,126	-	225,182
Laundry and Linen	26,198	-	-	26,198
Insurance	139,767	11,868	1,229	152,864
Supplies	39,448	9,649	4,032	53,129
Repairs and Maintenance	110,531	2,758	1,609	114,898
Waste Disposal	8,946	223	130	9,299
Utilities	78,811	1,966	1,147	81,924
Telephone	21,145	2,434	125	23,704
Professional Fees	49,891	1,489	703	52,083
Office Expense	56,572	1,386	826	58,784
Depreciation Expense	112,905	2,817	1,643	117,365
Interest Expense	128,934	22,753	-	151,687
Service Fees	106,366	24,236	-	130,602
Rent Expense	6,241	2,081	-	8,322
Grant Expenses - TLC	159,446	-	-	159,446
Credit Loss Expense	-	6,000	-	6,000
Other Expense	36,094	6,187	-	42,281
Total Functional Expenses	\$ 4,798,102	\$ 478,360	\$ 48,173	\$ 5,324,635

See accompanying Notes to Combined Financial Statements.

**GERIATRIC SERVICES, INC. AND AFFILIATE
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022**

	Program Services	Support Services		Total Program and Support Services
		Management and General	Fundraising	
Salaries and Wages	\$ 2,595,828	\$ 285,726	\$ 26,452	\$ 2,908,006
Managing Agent Fee	116,250	6,250	2,500	125,000
Payroll Taxes	260,774	27,673	2,710	291,157
Employee Benefits	184,363	16,248	2,086	202,697
Total Salaries and Related Expenses	3,157,215	335,897	33,748	3,526,860
Dietary Expense	212,697	1,069	-	213,766
Laundry and Linen	27,180	-	-	27,180
Insurance	156,061	11,258	1,564	168,883
Supplies	30,404	7,568	3,304	41,276
Repairs and Maintenance	135,836	3,389	1,977	141,202
Waste Disposal	6,910	172	101	7,183
Utilities	64,949	1,620	945	67,514
Telephone	21,520	2,198	154	23,872
Professional Fees	40,935	2,006	501	43,442
Office Expense	41,726	1,269	585	43,580
Depreciation Expense	113,529	2,832	1,652	118,013
Interest Expense	58,239	10,277	-	68,516
Service Fees	102,608	23,463	-	126,071
Rent Expense	5,804	1,935	-	7,739
Grant Expenses - TLC	71,071	-	-	71,071
Credit Loss Expense	-	106,294	-	106,294
Other Expense	41,560	6,956	-	48,516
Total Functional Expenses	\$ 4,288,244	\$ 518,203	\$ 44,531	\$ 4,850,978

See accompanying Notes to Combined Financial Statements.

**GERIATRIC SERVICES, INC. AND AFFILIATE
COMBINED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets	\$ 3,445	\$ 368,302
Adjustments to Reconcile Changes in Net Assets to Net Cash (Used) Provided by Operating Activities:		
Depreciation	117,365	118,013
Credit Loss Expense	6,000	106,294
Unrealized and Realized Gain (Loss) on Investments	(31,769)	79,267
Changes in Certain Assets and Liabilities:		
Contributions Receivable	60,000	39,500
Grants Receivable	(160,290)	(22,799)
Accounts Receivable	(29,893)	(9,419)
Prepaid Expenses	16,294	7,980
Residents' Personal Needs Allowance	-	(1,825)
Loan Receivable	-	-
Accounts Payable and Accrued Expenses	(342,743)	541,839
Deferred Revenue	-	(700,000)
Prepaid Residents' Fees	(7,063)	6,833
Residents' Personal Needs Allowance	2,017	2,278
Net Cash (Used) Provided by Operating Activities	(366,637)	536,263
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(543,421)	(2,823,575)
Purchases of Investments	(9,635)	(14,848)
Proceeds from Sale of Investments	290,412	150,035
Net Cash Used by Investing Activities	(262,644)	(2,688,388)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Loan Payable	301,348	1,600,576
NET DECREASE IN CASH AND CASH EQUIVALENTS	(327,933)	(551,549)
Cash and Cash Equivalents - Beginning of Year	384,035	935,584
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 56,102	\$ 384,035
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash Paid During the Year for Interest	\$ 151,687	\$ 68,516

See accompanying Notes to Combined Financial Statements.

**GERIATRIC SERVICES, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES

Geriatric Services, Inc. (GSI), is governed by a Board of Trustees. GSI operates a 65-bed assisted-living facility licensed and regulated by the New Jersey Department of Health and Senior Services. GSI provides resident services to the elderly, emphasizing personal care, recreation, and nutrition programs. The facility, operated by GSI, located in Teaneck, New Jersey, is known as Bright Side Manor.

In 2003, GSI completed a project to expand and renovate Bright Side Manor at a cost of approximately \$3.7 million, financed primarily through a tax-exempt bond obligation issued by the New Jersey Housing and Mortgage Finance Agency (NJHMFA). This project significantly increased the capacity of the facility and has enabled GSI to qualify as an assisted-living facility and, thereby, qualify its eligible residents for Medicaid subsidies. NJHMFA discharged the mortgage held on the project in May 2021.

The combined financial statements include those of Geriatric Services, Inc. and Geriatric Living Solutions, Inc. (GLS) (collectively, Organization), both of which are New Jersey nonprofit corporations in which Geriatric Services, Inc., exercises control. GLS was incorporated in March 2014, and was established exclusively for the purpose of operating a portable assisted-living service (PALS) program that provides assisted-living services in subsidized housing for elderly or other persons in need, with services specifically designed to meet their physical, social, and psychological needs. Both organizations are under common management and the majority of members of the Board of Trustees for Geriatric Living Solutions, Inc., are also members of Geriatric Services, Inc.'s Board of Trustees.

The financial position and results of operations presented in the accompanying combined financial statements do not represent those of a single legal entity. All significant intercompany transactions and accounts have been eliminated in combination.

Basis of Accounting

The accompanying combined financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Adoption of New Accounting Standard

The Organization has adopted Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses. The Organization adopted this new guidance utilizing the modified retrospective transition method. The adoption of this Standard did not have a material impact on the Organization's combined financial statements but did change how the allowance for credit losses is determined.

**GERIATRIC SERVICES, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation

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

Net Assets without Donor Restrictions – Net assets not subject to donor-imposed stipulations and currently available for use by the Organization’s Board of Trustees.

Net Assets with Donor Restrictions – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time, and other net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statements of activities and changes in net assets as net assets released from restrictions.

Cash and Cash Equivalents

Cash consists of funds maintained in bank accounts. Cash equivalents consist of highly liquid money market investments with an original maturity of three months or less.

Receivables and Allowance for Credit Losses

Receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts and historical write-offs. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance for credit losses and a credit to accounts receivable. Write-offs are determined on a case-by-case basis. As of December 31, 2023 and 2022, the allowance for credit losses is \$131,000 and \$130,000, respectively.

Changes in the allowance for credit losses for the years ended December 31, were as follows:

	<u>2023</u>	<u>2022</u>
Balance - Beginning of the Year	\$ 130,000	\$ 28,000
Current Period Provision for Expected Credited Losses	1,000	102,000
Balance - End of Year	<u>\$ 131,000</u>	<u>\$ 130,000</u>

GERIATRIC SERVICES, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment is stated at cost of purchase or at the estimated fair market value on the date of gift for donated assets. Expenditures for maintenance and repairs are charged to net assets as incurred.

Property and equipment is depreciated using the straight-line method over estimated useful lives that range from 5 to 7 years for furniture and equipment, and 40 years for buildings and improvements.

Donated Goods and Services

Various volunteer groups periodically provide services to help maintain the residential care facility or assist with program services. The value of these services is not reflected in the combined financial statements since the services do not require specialized skills.

Fair Value

Fair value measurements are defined as the amount 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. There are three defined hierarchical levels based on the quality of inputs used that directly relate to the amount of subjectivity associated with the determination of fair value.

The fair value hierarchy defines the three levels as follows:

Level 1 – Valuations based on quoted prices (unadjusted) in an active market that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2 – Valuations based on observable inputs other than Level 1 prices, such as: quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3 – Valuations based on unobservable inputs when little or no market is available. The fair value hierarchy gives lowest priority to Level 3 inputs.

Gains and losses, both realized and unrealized, resulting from increases or decreases in the fair value of investments are reflected in the statements of activities and changes in net assets as increases or decreases in net assets without donor restrictions unless the use was restricted by explicit donor stipulations or by law.

The fair values of investments are as follows:

Equity Securities – Shares in companies traded on national securities exchanges are valued at the closing price reported in the active market in which the individual securities are traded.

**GERIATRIC SERVICES, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Notes Payable

The Organization does not discount noninterest-bearing or below-market-rate loans that originated from governmental agencies.

Revenue Recognition

Contributions are recognized as revenue when they are received or unconditionally pledged. Conditional contributions are not recognized until the conditions are substantially met or explicitly waived.

Contributions are recorded as revenue as either with or without donor restrictions according to donor stipulations that limit the use of these assets due to time or purpose restrictions. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished) net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions. Contributions with restrictions that are met in the same reporting period as they are received are reported as unrestricted support.

Revenue from government grants is considered a conditional contribution and is not recognized until the conditions related to this revenue are substantially met or explicitly waived. Cash received in excess of revenue recognized is reported as deferred revenue.

The Organization derives a portion of its revenue from resident services. Resident services revenue is recognized when the Organization provides the services to a respective resident in an amount that reflects the consideration the Organization expects to be entitled to in exchange for providing these services.

The Organization recognizes resident services revenue over time as the services are provided to the residents. There are no significant financing components or variable considerations provided to clients.

Any resident services revenues received in advance are deferred as prepaid residents' fees until earned.

The opening and closing contract balances were as follows:

	Accounts Receivable, Net
Balance as of January 1, 2022	\$ 194,331
Balance as of December 31, 2022	97,456
Balance as of December 31, 2023	120,349

**GERIATRIC SERVICES, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

GSI and GLS are nonprofit organizations that are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and, accordingly, are not liable for federal and state income taxes.

The Organization follows accounting standards that provide clarification on accounting for uncertainty in income taxes recognized in the Organization's combined financial statements. The guidance prescribes a recognition threshold and measurement attribute for the combined financial statement recognition and measurement of a tax position taken, or expected to be taken, in a tax return, and also provides guidance on derecognition, classification, interest and penalties, disclosure and transition. The Organization's policy is to recognize interest and penalties on unrecognized tax benefits in income tax expense in the combined statements of activities and changes in net assets. No interest and penalties were recorded during the years 2023 and 2022. At December 31, 2023 and 2022, there are no significant income tax uncertainties that are expected to have a material impact on the Organization's combined financial statements.

Use of Estimates

In preparing combined financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the combined financial statements, and revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The Organization has evaluated events subsequent to the combined statement of financial position date as of December 31, 2023, through July 1, 2024, the date that the combined financial statements were available to be issued.

NOTE 2 PROPERTY AND EQUIPMENT

Property and equipment are made up of the following at December 31:

	<u>2023</u>	<u>2022</u>
Land	\$ 330,078	\$ 330,078
Buildings	700,126	700,125
Building Improvements	3,713,011	3,713,012
Furniture and Equipment	370,226	370,226
Construction in Progress	4,191,376	3,647,955
Total	<u>9,304,817</u>	<u>8,761,396</u>
Less: Accumulated Depreciation	2,660,856	2,543,491
Property and Equipment, Net	<u>\$ 6,643,961</u>	<u>\$ 6,217,905</u>

**GERIATRIC SERVICES, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 3 INVESTMENTS

Investments are categorized as follows:

	Fair Value Measurements as of December 31, 2023			
	Level 1	Level 2	Level 3	Total
Equity Securities	<u>\$ 256,571</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 256,571</u>
	Fair Value Measurements as of December 31, 2022			
	Level 1	Level 2	Level 3	Total
Equity Securities	<u>\$ 505,579</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 505,579</u>

The cost basis of the Organization's investments at December 31, 2023 and 2022, is approximately \$155,517 and \$319,000, respectively.

NOTE 4 LOANS RECEIVABLE

On October 18, 2013, a limited partnership, Teaneck Senior Housing Urban Renewal, L.P., was formed to acquire, own, develop, construct, manage, and operate a senior housing project located at 60 Bergen Avenue in Teaneck, New Jersey. Senior Housing Services, Inc., a related party, is the General Partner in this partnership, owning 0.01%. Teaneck Senior Housing Urban Renewal, L.P., is structured as a 4% low-income housing tax credit project.

On October 15, 2014, a development services agreement was executed between Teaneck Senior Housing Urban Renewal, L.P. (Partnership), Geriatric Services, Inc., and The Alpert Group, LLC (collectively, Developer). The purpose of the agreement is to appoint the Developer to render services in overseeing the development of the project for the Partnership. The Organization received \$401,500 of the developer fee, which represented full payment. The final installment was received in 2021.

**GERIATRIC SERVICES, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 4 LOANS RECEIVABLE (CONTINUED)

<u>Description</u>	<u>2023</u>	<u>2022</u>
Noninterest bearing loan receivable from the Partnership. Matures on December 31, 2071, and is secured by the assets of the Partnership. This obligation is absolute even if the underlying source of the loan is not required to be repaid by Geriatric Services, Inc.	\$ 396,950	\$ 396,950
Noninterest bearing loan receivable from the Partnership. Matures on December 31, 2070, and is secured by the assets of the Partnership. This obligation is absolute even if the underlying source of the loan is not required to be repaid by Geriatric Services, Inc.	9,782,100	9,782,100
Noninterest bearing loan receivable from the Partnership. This loan will be due and payable on December 31 of the year HUD rental restrictions shall end but at an event no later than December 31, 2071. This loan is then due and payable even though the loan from Bergen County to Geriatric Services, Inc. is forgiven. The loan is secured by the assets of the Partnership.	750,000	750,000
Noninterest bearing loan receivable from the Partnership. This loan will be due and payable on December 31 of the year HUD rental restrictions shall end but at an event no later than December 31, 2071. This loan is then due and payable even though the loan from Bergen County to Geriatric Services, Inc. is forgiven. The loan is secured by the assets of the Partnership.	75,000	75,000
Noninterest bearing loan receivable from the Partnership. Matures on December 31, 2071, and is secured by the assets of the Partnership. This obligation is absolute even if the underlying source of the loan is not required to be repaid by Geriatric Services, Inc.	610,000	610,000
Total Loan Receivable	<u>\$ 11,614,050</u>	<u>\$ 11,614,050</u>

All funds received by Geriatric Services, Inc. for the development of the Teaneck Senior Housing Project have been transferred to the Partnership and all other costs incurred by Geriatric Services, Inc. have been reimbursed by the Partnership.

**GERIATRIC SERVICES, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 5 LONG-TERM DEBT

<u>Description</u>	<u>2023</u>	<u>2022</u>
Noninterest-bearing mortgage note payable to the United States Department of Housing and Urban Development, forgivable after 55 years. Entire amount to be recognized as revenue after the 55-year affordability period expires in December 2070.	\$ 9,782,100	\$ 9,782,100
Noninterest-bearing mortgage note payable to the County of Bergen, forgivable 20 years after the project's completion. Entire amount to be recognized as revenue after the 20-year affordability period expires in December 2035.	750,000	750,000
Noninterest-bearing mortgage note payable to Bogota Savings Bank, forgivable 15 years after operating the project in accordance with the affordable housing program of the Federal Home Loan Bank of New York. Entire amount to be recognized as revenue after the 15-year affordability period expires in December 2030.	610,000	610,000
Noninterest-bearing mortgage note payable to the County of Bergen, forgivable 20 years after the project's completion. Entire amount to be recognized as revenue after the 20-year affordability period expires in December 2035.	75,000	75,000
Economic Injury Disaster loan payable in monthly installments of \$641 beginning in December 2022, including interest at 2.75% through December 2052. The loan is collateralized by substantially all of the Organization's assets.	146,460	149,731
Construction loan payable to Community Loan Fund of New Jersey. Upon conversion to permanent loan at the completion of construction, half the balance will fully amortize over 25 years and the other half will amortize over 30 years. Interest is accruing at 5.5%. As of December 31, 2023, no payments have been made against this loan.	<u>2,424,926</u>	<u>2,120,307</u>
Total Long-Term Debt	13,788,486	13,487,138
Less: Current Portion	<u>3,731</u>	<u>3,630</u>
Long-Term Debt, Net of Current Portion	<u>\$ 13,784,755</u>	<u>\$ 13,483,508</u>

**GERIATRIC SERVICES, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 5 LONG-TERM DEBT (CONTINUED)

At December 31, 2023, long-term debt matures as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2024	\$ 3,731
2025	3,835
2026	3,942
2027	4,052
2028	4,165
Thereafter	13,768,761
Total	<u><u>\$ 13,788,486</u></u>

NOTE 6 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are made up of the following at December 31:

	<u>2023</u>	<u>2022</u>
Teaneck Senior Housing Project Costs	\$ 275,544	\$ 322,500
TLC Project	-	14,000
GSI Programs and Initiatives	-	276,805
Jewish Identity and Spirituality	2,041	52,041
Bright Side Manor Expansion	822,238	497,962
Total	<u><u>\$ 1,099,823</u></u>	<u><u>\$ 1,163,308</u></u>

NOTE 7 RELATED-PARTY TRANSACTIONS

As of December 31, 2023 and 2022, Geriatric Services, Inc. received grants in the amount of \$110,000 and \$144,000, respectively, from various foundations and Bergen County for the PALS program, which is administered through Geriatric Living Solutions, Inc. As of December 31, 2023 and 2022, \$110,000 and \$144,000, respectively, is included in Subrecipient Grant Expense on the combining statements of functional expenses. These transactions were eliminated in the financial statement combination.

During 2023 and 2022, Geriatric Services, Inc. loaned Geriatric Living Solutions, Inc. \$978,266 and \$779,081, respectively, for operating costs. In addition, Geriatric Services, Inc. owes Geriatric Living Solutions, Inc. \$27,500 and \$33,750 related to grants received in 2022 and 2021, respectively, for the PALS program. These transactions were eliminated in the financial statement combination.

Senior Housing Services, Inc. (SHS) is a separate 501(c)(3) organization that was created for the purpose of senior housing development. SHS is related to the Organization through common management. However, GSI does not have control of the SHS Board of Trustees and, therefore, is not included in these combined financial statements.

**GERIATRIC SERVICES, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 8 FUNCTIONAL EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Salaries and wages, and management agent fees are allocated based on time and effort. All other expenses are allocated to support functions based on administrative salaries with the exception of expenses, which are directly identifiable to a specific function. Dietary expenses, laundry and linen, subrecipient grant expense, Bright Side Manor expansion, and grant expense – TLC are charged directly to programs. Credit loss expense is charged directly to management and general.

NOTE 9 CONCENTRATIONS OF CREDIT RISK

At times, the Organization maintains investment balances that may exceed federally or other insured limits. The investments are primarily financial instruments that are monetary in nature. The investments are subject to risk conditions of the investments' objectives, stock market performance, interest rates, economic conditions, and world affairs. The Organization maintains a diversified portfolio in order to limit this risk. The Organization historically has not experienced any credit-related losses.

As of December 31, 2023 and 2022, 66% and 55% of the Organization's contribution revenue was from one contributor, respectively. As of December 31, 2023 and 2022, 100% and 84% of the Organization's contributions receivable was from one contributor, respectively.

As of December 31, 2023 and 2022, 100% of the Organization's grant revenue was from two government agencies. As of December 31, 2023, 100% of the Organization's grant receivable was from two agencies. As of December 31, 2022, 100% of the Organization's grant receivable was from one agency.

As of December 31, 2023, 12% of the Organization's accounts receivable was from one customer. As of December 31, 2022, there were no material concentrations of the Organization's accounts receivable.

As of December 31, 2023 and 2022, 100% of the Organization's loans receivable are from one partnership.

Resident services revenue is comprised of the following:

	<u>2023</u>	<u>2022</u>
Private Pay	\$ 1,599,102	\$ 1,313,481
Medicaid	2,261,060	1,756,040
Total	<u>\$ 3,860,162</u>	<u>\$ 3,069,521</u>

**GERIATRIC SERVICES, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 9 CONCENTRATIONS OF CREDIT RISK (CONTINUED)

Accounts receivable is comprised of the following:

	<u>2023</u>	<u>2022</u>
Private Pay	\$ 284,170	\$ 168,883
Medicaid	98,179	58,573
Allowance for Doubtful Accounts	<u>(131,000)</u>	<u>(130,000)</u>
Total	<u>\$ 251,349</u>	<u>\$ 97,456</u>

NOTE 10 LIQUIDITY AND AVAILABILITY OF RESOURCES

The following represents the Organization's financial assets at December 31, 2023 and 2022, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations.

	<u>2023</u>	<u>2022</u>
Cash and Cash Equivalents	\$ 57,102	\$ 384,035
Contributions, Grants, and Account Receivable, Net	510,349	256,166
Investments	<u>256,571</u>	<u>505,579</u>
Total Financial Assets	824,022	1,145,780
Less Amounts Not Available to be Used Within One Year:		
Net Assets with Donor Restrictions	<u>(1,099,823)</u>	<u>(1,163,308)</u>
Financial Assets Available to Meet General Expenditures Over the Next 12 Months	<u>\$ (275,801)</u>	<u>\$ (17,528)</u>

The Organization has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations come due. As part of its liquidity plan, excess cash is invested in Level 1 investments, such as equities that can be liquidated if needed. In addition, \$822,238 is included in net asset with donor restrictions and is restricted for the Bright Side Manor expansion. The project is still under construction. All funds will be released upon the completion of the project.

**GERIATRIC SERVICES, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 11 PROPERTIES UNDER DEVELOPMENT

The Organization is currently in the process of the renovation and expansion of the facility, known as Bright Side Manor. The Organization has received zoning approval from the town and secured funding for this project. The construction broke ground during the year ended December 31, 2021. The project is being funded through government and foundation grants. In addition, a construction loan was obtained. The Organization received a certificate of occupancy during the year ended December 31, 2023. Exterior renovations are still ongoing.

The Organization has also entered into an agreement to co-develop a township-owned property in Teaneck, New Jersey, along with another organization. The project is known as 1425 Teaneck Road, LLC, which will consist of 40 units of affordable housing. The project was awarded a 9% low-income housing tax credit through the NJHMFA in December of 2020. One of the founders of GSI, a key employee and a member of the Board of Trustees, created a single-member LLC, known as BSF Senior Housing, LLC, which will have 25% voting rights in the project. The construction broke ground during the year ended December 31, 2023.

**GERIATRIC SERVICES, INC. AND AFFILIATE
COMBINING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023**

ASSETS	Geriatric Services, Inc.	Geriatric Living Solutions, Inc.	Eliminations	Combined
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 43,660	\$ 13,442	\$ -	\$ 57,102
Contributions Receivable	66,500	-	-	66,500
Grant Receivable	192,500	-	-	192,500
Accounts Receivable	214,147	37,202	-	251,349
Allowance for Credit Losses	(125,000)	(6,000)	-	(131,000)
Due from Affiliate	-	27,500	(27,500)	-
Prepaid Expenses	12,869	-	-	12,869
Residents' Personal Needs Allowance	14,483	-	-	14,483
Total Current Assets	<u>419,159</u>	<u>72,144</u>	<u>(27,500)</u>	<u>463,803</u>
PROPERTY AND EQUIPMENT, Net of Accumulated Depreciation	6,643,961	-	-	6,643,961
LOANS RECEIVABLE	12,592,316	-	(978,266)	11,614,050
INVESTMENTS	256,571	-	-	256,571
OTHER ASSETS	-	750	-	750
Total Assets	<u>\$ 19,912,007</u>	<u>\$ 72,894</u>	<u>\$ (1,005,766)</u>	<u>\$ 18,979,135</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts Payable and Accrued Expenses	\$ 427,784	\$ 64,510	\$ -	\$ 492,294
Prepaid Residents' Fees	10,713	-	-	10,713
Due to Affiliate	27,500	-	(27,500)	-
Long-Term Debt, Current Portion	3,731	-	-	3,731
Residents' Personal Needs Allowance	26,664	-	-	26,664
Total Current Liabilities	<u>496,392</u>	<u>64,510</u>	<u>(27,500)</u>	<u>533,402</u>
LONG-TERM DEBT, Net of Current Portion	13,784,755	-	-	13,784,755
LOAN PAYABLE	-	978,266	(978,266)	-
Total Liabilities	14,281,147	1,042,776	(1,005,766)	14,318,157
COMMITMENTS AND CONTINGENCIES				
NET ASSETS				
Without Donor Restrictions	5,630,860	(969,882)	-	4,660,978
With Donor Restrictions	-	-	-	-
Total Net Assets	<u>5,630,860</u>	<u>(969,882)</u>	<u>-</u>	<u>4,660,978</u>
Total Liabilities and Net Assets	<u>\$ 19,912,007</u>	<u>\$ 72,894</u>	<u>\$ (1,005,766)</u>	<u>\$ 18,979,135</u>

**GERIATRIC SERVICES, INC. AND AFFILIATE
COMBINING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022**

ASSETS	Geriatric Services, Inc.	Geriatric Living Solutions, Inc.	Eliminations	Combined
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 344,164	\$ 39,871	\$ -	\$ 384,035
Contributions Receivable	126,500	-	-	126,500
Grant Receivable	32,210	-	-	32,210
Accounts Receivable	192,966	34,490	-	227,456
Allowance for Credit Losses	(125,000)	(5,000)	-	(130,000)
Due from Affiliate	-	33,750	(33,750)	-
Prepaid Expenses	29,163	-	-	29,163
Residents' Personal Needs Allowance	14,483	-	-	14,483
Total Current Assets	<u>614,486</u>	<u>103,111</u>	<u>(33,750)</u>	<u>683,847</u>
PROPERTY AND EQUIPMENT, Net of Accumulated Depreciation	6,217,905	-	-	6,217,905
LOANS RECEIVABLE	12,393,131	-	(779,081)	11,614,050
INVESTMENTS	505,579	-	-	505,579
OTHER ASSETS	-	750	-	750
Total Assets	<u>\$ 19,731,101</u>	<u>\$ 103,861</u>	<u>\$ (812,831)</u>	<u>\$ 19,022,131</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts Payable and Accrued Expenses	\$ 776,663	\$ 58,374	\$ -	\$ 835,037
Prepaid Residents' Fees	17,776	-	-	17,776
Due to Affiliate	33,750	-	(33,750)	-
Long-Term Debt, Current Portion	3,630	-	-	3,630
Residents' Personal Needs Allowance	24,647	-	-	24,647
Total Current Liabilities	<u>856,466</u>	<u>58,374</u>	<u>(33,750)</u>	<u>881,090</u>
LONG-TERM DEBT, Net of Current Portion	13,483,508	-	-	13,483,508
LOAN PAYABLE	-	779,081	(779,081)	-
Total Liabilities	<u>14,339,974</u>	<u>837,455</u>	<u>(812,831)</u>	<u>14,364,598</u>
COMMITMENTS AND CONTINGENCIES				
NET ASSETS				
Without Donor Restrictions	4,227,819	(733,594)	-	3,494,225
With Donor Restrictions	1,163,308	-	-	1,163,308
Total Net Assets	<u>5,391,127</u>	<u>(733,594)</u>	<u>-</u>	<u>4,657,533</u>
Total Liabilities and Net Assets	<u>\$ 19,731,101</u>	<u>\$ 103,861</u>	<u>\$ (812,831)</u>	<u>\$ 19,022,131</u>

**GERIATRIC SERVICES, INC. AND AFFILIATE
COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2023**

	Geriatric Services, Inc.	Geriatric Living Solutions, Inc.	Eliminations	Combined
REVENUE AND OTHER SUPPORT				
Resident Services Revenue	\$ 2,702,869	\$ 1,157,293	\$ -	\$ 3,860,162
Contributions	652,998	38,000	(38,000)	652,998
Government Grants	667,800	72,000	(72,000)	667,800
Special Event Revenues, Net	60,217	-	-	60,217
Interest Income, Net	10,076	252	-	10,328
Resident Community Fee	42,000	-	-	42,000
Unrealized and Realized Gain on Investments	31,769	-	-	31,769
Miscellaneous Income	2,806	-	-	2,806
Total Revenue and Other Support	<u>4,170,535</u>	<u>1,267,545</u>	<u>(110,000)</u>	<u>5,328,080</u>
EXPENSES				
Program Services	3,755,586	1,152,516	(110,000)	4,798,102
Management and General	127,043	351,317	-	478,360
Fundraising	48,173	-	-	48,173
Total Expenses	<u>3,930,802</u>	<u>1,503,833</u>	<u>(110,000)</u>	<u>5,324,635</u>
CHANGES IN NET ASSETS	239,733	(236,288)	-	3,445
Net Assets, Beginning of Year	<u>5,391,127</u>	<u>(733,594)</u>	<u>-</u>	<u>4,657,533</u>
NET ASSETS - END OF YEAR	<u>\$ 5,630,860</u>	<u>\$ (969,882)</u>	<u>\$ -</u>	<u>\$ 4,660,978</u>

**GERIATRIC SERVICES, INC. AND AFFILIATE
COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2022**

	Geriatric Services, Inc.	Geriatric Living Solutions, Inc.	Eliminations	Combined
REVENUE AND OTHER SUPPORT				
Resident Services Revenue	\$ 2,130,553	\$ 938,968	\$ -	\$ 3,069,521
Contributions	616,215	75,000	(75,000)	616,215
Government Grants	1,479,479	160,050	(69,000)	1,570,529
Special Event Revenues, Net	19,083	-	-	19,083
Interest Income, Net	13,734	311	-	14,045
Resident Community Fee	8,700	-	-	8,700
Unrealized and Realized Gain on Investments	(79,267)	-	-	(79,267)
Miscellaneous Income	454	-	-	454
Total Revenue and Other Support	<u>4,188,951</u>	<u>1,174,329</u>	<u>(144,000)</u>	<u>5,219,280</u>
EXPENSES				
Program Services	3,417,155	1,015,089	(144,000)	4,288,244
Management and General	209,823	308,380	-	518,203
Fundraising	44,531	-	-	44,531
Total Expenses	<u>3,671,509</u>	<u>1,323,469</u>	<u>(144,000)</u>	<u>4,850,978</u>
CHANGES IN NET ASSETS	517,442	(149,140)	-	368,302
Net Assets, Beginning of Year	<u>4,873,685</u>	<u>(584,454)</u>	<u>-</u>	<u>4,289,231</u>
NET ASSETS - END OF YEAR	<u>\$ 5,391,127</u>	<u>\$ (733,594)</u>	<u>\$ -</u>	<u>\$ 4,657,533</u>

**GERIATRIC SERVICES, INC. AND AFFILIATE
COMBINING STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023**

	Affiliate		Geriatric Services, Inc.				Total Program and Support Services
	Program Services	Support Services	Program Services	Support Services		Eliminations	
		Management and General		Management and General	Fundraising		
Salaries and Wages	\$ 880,094	\$ 271,862	\$ 1,972,023	\$ 49,198	\$ 28,699	\$ -	\$ 3,201,876
Managing Agent Fee	-	-	116,250	6,250	2,500	-	125,000
Payroll Taxes	84,757	26,182	209,536	5,228	3,049	-	328,752
Employee Benefits	59,612	18,414	170,479	4,253	2,481	-	255,239
Total Salaries and Related Expenses	1,024,463	316,458	2,468,288	64,929	36,729	-	3,910,867
Dietary Expense	-	-	224,056	1,126	-	-	225,182
Laundry and Linen	-	-	26,198	-	-	-	26,198
Insurance	55,309	9,761	84,458	2,107	1,229	-	152,864
Supplies	16,599	2,929	22,849	6,720	4,032	-	53,129
Repairs and Maintenance	-	-	110,531	2,758	1,609	-	114,898
Waste Disposal	-	-	8,946	223	130	-	9,299
Utilities	-	-	78,811	1,966	1,147	-	81,924
Telephone	12,588	2,221	8,557	213	125	-	23,704
Professional Fees	1,610	284	48,281	1,205	703	-	52,083
Office Expense	(170)	(30)	56,742	1,416	826	-	58,784
Depreciation Expense	-	-	112,905	2,817	1,643	-	117,365
Interest Expense	-	-	128,934	22,753	-	-	151,687
Subrecipient Grant Expense	-	-	110,000	-	-	(110,000)	-
Service Fees	34,839	11,613	71,527	12,623	-	-	130,602
Rent Expense	6,241	2,081	-	-	-	-	8,322
Grant Expenses - TLC	-	-	159,446	-	-	-	159,446
Credit Loss Expense	-	6,000	-	-	-	-	6,000
Other Expense	1,037	-	35,057	6,187	-	-	42,281
Total Functional Expenses	<u>\$ 1,152,516</u>	<u>\$ 351,317</u>	<u>\$ 3,755,586</u>	<u>\$ 127,043</u>	<u>\$ 48,173</u>	<u>\$ (110,000)</u>	<u>\$ 5,324,635</u>

**GERIATRIC SERVICES, INC. AND AFFILIATE
COMBINING STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022**

	Affiliate		Geriatric Services, Inc.				Total Program and Support Services
	Program Services	Support Services	Program Services	Support Services		Eliminations	
		Management and General		Management and General	Fundraising		
Salaries and Wages	\$ 778,175	\$ 240,379	\$ 1,817,653	\$ 45,347	\$ 26,452	\$ -	\$ 2,908,006
Managing Agent Fee	-	-	116,250	6,250	2,500	-	125,000
Payroll Taxes	74,547	23,027	186,227	4,646	2,710	-	291,157
Employee Benefits	41,023	12,672	143,340	3,576	2,086	-	202,697
Total Salaries and Related Expenses	893,745	276,078	2,263,470	59,819	33,748	-	3,526,860
Dietary Expense	-	-	212,697	1,069	-	-	213,766
Laundry and Linen	-	-	27,180	-	-	-	27,180
Insurance	48,605	8,577	107,456	2,681	1,564	-	168,883
Supplies	11,683	2,062	18,721	5,506	3,304	-	41,276
Repairs and Maintenance	-	-	135,836	3,389	1,977	-	141,202
Waste Disposal	-	-	6,910	172	101	-	7,183
Utilities	-	-	64,949	1,620	945	-	67,514
Telephone	10,962	1,935	10,558	263	154	-	23,872
Professional Fees	6,497	1,147	34,438	859	501	-	43,442
Office Expense	1,509	266	40,217	1,003	585	-	43,580
Depreciation Expense	-	-	113,529	2,832	1,652	-	118,013
Interest Expense	-	-	58,239	10,277	-	-	68,516
Subrecipient Grant Expense	-	-	144,000	-	-	(144,000)	-
Service Fees	34,139	11,380	68,469	12,083	-	-	126,071
Rent Expense	5,804	1,935	-	-	-	-	7,739
Grant Expenses - TLC	-	-	71,071	-	-	-	71,071
Credit Loss Expense	-	5,000	-	101,294	-	-	106,294
Other Expense	2,145	-	39,415	6,956	-	-	48,516
Total Functional Expenses	<u>\$ 1,015,089</u>	<u>\$ 308,380</u>	<u>\$ 3,417,155</u>	<u>\$ 209,823</u>	<u>\$ 44,531</u>	<u>\$ (144,000)</u>	<u>\$ 4,850,978</u>

**GERIATRIC SERVICES, INC. AND AFFILIATE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2023**

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Budget Period	Contract Amount	Beginning of the Year Loan Balance	Disbursements/ Expenditures
U.S. Department of Housing and Urban Development					
Direct:					
Section 202 Capital Advance	14.157	N/A	\$ 9,782,100	\$ 9,782,100	\$ -
Passed Through:					
Bergen County:					
Bergen County Teaneck Senior Housing Site Improvements (CDBG)	14.218	07/01/11-06/30/12	75,000	75,000	-
Brightside Manor Expansion & Renovation/Site Improvement (CDBG)	14.218	07/01/20-12/31/22	150,000	-	54,823
			<u>225,000</u>	<u>75,000</u>	<u>54,823</u>
Passed Through:					
Bergen County:					
HOME Investment Partnerships Program	14.239	07/01/11-06/30/16	750,000	750,000	-
Passed Through:					
Bergen County:					
Special Programs for the Aging Title III Part B	93.044	01/01/23-12/31/23	135,477	-	135,477
United States Small Business Administration					
Direct:					
Economic Injury Disaster Loan	59.008	06/01/21-06/01/50	150,000	149,731	-
Total Federal Awards			<u>\$ 11,042,577</u>	<u>\$ 10,756,831</u>	<u>\$ 190,300</u>

See accompanying Notes to Schedules of Expenditures of Federal and State Awards.

**GERIATRIC SERVICES, INC. AND AFFILIATE
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED DECEMBER 31, 2023**

<u>Grantor/Program Title</u>	<u>Contract Number</u>	<u>Budget Period</u>	<u>Contract Amount</u>	<u>Current-Year Expenditures</u>
State of New Jersey				
Department of Community Affairs		01/01/2023 - 12/31/2023	\$ 250,000	\$ 250,000
Department of Community Affairs		07/01/2023 - 06/30/2024	500,000	165,000
Department of Human Services	2406GIHC	07/01/2023 - 06/30/2024	<u>125,000</u>	<u>62,500</u>
Total State Awards			<u>\$ 875,000</u>	<u>\$ 477,500</u>

See accompanying Notes to Schedules of Expenditures of Federal and State Awards.

GERIATRIC SERVICES, INC. AND AFFILIATE
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of the Organization and is presented on the accrual basis of accounting. The information in the schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the financial statements.

NOTE 2 SUBRECIPIENTS

During the year ended December 31, 2023, the Organization did not provide any funds relating to their federal and state programs to subrecipients.

NOTE 3 INDIRECT COSTS

The Organization did not elect to use the de minimis cost rate when allocating indirect costs to federal and state programs.

NOTE 4 LOAN AND LOAN GUARANTEE PROGRAMS

As of December 31, 2023, \$10,756,831 was outstanding on federal loan programs.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Trustees
Geriatric Services, Inc. and Affiliate
Teaneck, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the combined financial statements of the Organization, which comprise the combined statement of financial position as of December 31, 2023, and the related combined statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 1, 2024.

Report on Internal Control Over Financial Reporting

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

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

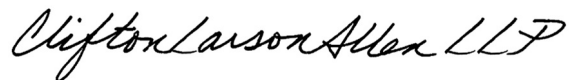
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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



CliftonLarsonAllen LLP

Livingston, New Jersey
July 1, 2024



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE**

Board of Trustees
Geriatric Services, Inc. and Affiliate
Teaneck, New Jersey

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Organization's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2023. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

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

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

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

Report on Internal Control Over Compliance

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

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

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

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



CliftonLarsonAllen LLP

Livingston, New Jersey
July 1, 2024

**GERIATRIC SERVICES, INC. AND AFFILIATE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2023**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes X no
 - Significant deficiency(ies) identified? _____ yes X none reported
3. Noncompliance material to financial statements noted? _____ yes X no

Major Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes X no
 - Significant deficiency(ies) identified? _____ yes X none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? _____ yes X no

Identification of Major Federal Programs

Assistance Listing Number(s)	Name of Federal Program or Cluster
14.157	U.S. Department of Housing and Urban Development – Capital Advance
14.239	U.S. Department of Housing and Urban Development – HOME Investment Partnerships Program

**GERIATRIC SERVICES, INC. AND AFFILIATE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

Section I – Summary of Auditors’ Results (Continued)

Dollar threshold used to distinguish between
Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

 X yes

 no

Section II – Financial Statement Findings

None

Section III – Compliance Findings

None



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