FJC

Financial Statements

March 31, 2023

Independent Auditors' Report

Board of Directors
FJC

Opinion

We have audited the accompanying financial statements of FJC, which comprise the statement of financial position as of March 31, 2023 and the related statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of FJC as of March 31, 2023 and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 FJC and to meet our other ethical responsibilities in accordance with the 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 audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about FJC's ability to continue as a going concern within one year after the date that the 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 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of FJC's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about FJC'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.

Report on Summarized Comparative Information

We have previously audited FJC's March 31, 2022, financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 11, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our 2023 audit was conducted for the purpose of forming an opinion on the 2023 financial statements as a whole. As discussed in the report on summarized comparative information section, we previously audited the 2022 financial statements. The supplementary schedules on pages 27 - 29 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2023 and 2022 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2023 information is fairly stated in all material respects in relation to the financial statements as a whole. In our opinion, the 2022 information is fairly stated in all material respects in relation to the financial statements from which it has been derived.

PKF O'Connor Davies, LLP

October 11, 2023

FJC

Statement of Financial Position
March 31, 2023
(With comparative amounts at March 31, 2022)

	2023	2022
ASSETS		
Cash and cash equivalents	$ 1,925,045	$ 2,897,157
Investments	350,982,224	343,503,603
Program-related investments, net	9,139,238	8,993,040
Loans receivable, net	21,693,204	22,972,506
Accrued interest	318,344	157,997
Beneficial interest in third-party trusts	2,356,659	2,787,339
Other assets	179,086	52,513
Right-of-use asset, net	1,436,633	-
Fixed assets, net	195,697	32,902
	$ 388,226,130	$ 381,397,057
LIABILITIES AND NET ASSETS		
Liabilities		
Grants payable	$ -	$ 489,429
Accrued expenses	101,008	88,456
Deferred Revenue	49,719	-
Operating lease liability	1,525,973	-
Assets held for others	49,258,710	47,367,454
Total Liabilities	50,935,410	47,945,339
Net Assets		
Without Donor Restrictions		
Donor-advised funds	297,444,233	296,698,474
Board-designated funds	30,677,148	27,768,837
General funds	6,812,680	6,197,068
Total Without Donor Restrictions	334,934,061	330,664,379
With donor restrictions	2,356,659	2,787,339
Total Net Assets	337,290,720	333,451,718
	$ 388,226,130	$ 381,397,057

See notes to financial statements

FJC

Statement of Activities
Year Ended March 31, 2023
(With summarized totals for the year ended March 31, 2022)

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT AND REVENUE				
Contributions	$ 54,754,606	$ -	$ 54,754,606	$ 52,895,068
Management fees	364,122		364,122	302,862
Investment Return				
Loan interest	1,840,473	-	1,840,473	2,312,428
Interest and dividend, net	4,624,953	-	4,624,953	3,839,889
Net realized and unrealized (loss)/gain	(17,894,236)	-	(17,894,236)	13,103,456
Gain on sale of property held for sale	-	-	-	182,774
Change in value of beneficial interest in third-party trusts	-	(224,132)	(224,132)	(134,413)
Net assets released from donor restrictions	206,548	(206,548)	-	-
Total Support and Revenue	43,896,466	(430,680)	43,465,786	72,502,064
EXPENSES				
Program Services				
Donor advised funds	30,690,382		30,690,382	45,534,003
Fiscal sponsorship program	10,771,850	-	10,771,850	7,753,349
Agency loan funds	382,228	-	382,228	353,931
Total Program Services	41,844,460	-	41,844,460	53,641,283
Supporting Services				
General and administrative	1,122,444	-	1,122,444	1,045,983
Fundraising	71,084	-	71,084	57,061
Total Supporting Services	1,193,528	-	1,193,528	1,103,044
Total Expenses	43,037,988	-	43,037,988	54,744,327
Change in Net Assets Before Other Changes	858,478	(430,680)	427,798	17,757,737
OTHER CHANGES				
Reversal of bad debt expense on loan receivable	3,411,204	-	3,411,204	-
Bad debt expense on loan receivable	-	-	-	(4,023,000)
Change in Net Assets	4,269,682	(430,680)	3,839,002	13,734,737
NET ASSETS				
Beginning of year	330,664,379	2,787,339	333,451,718	319,716,981
End of year	$ 334,934,061	$ 2,356,659	$ 337,290,720	$ 333,451,718

See notes to financial statements

FJC

Statement of Functional Expenses
Year Ended March 31, 2023
(With summarized totals for the year ended March 31, 2022)

	2023								2022
	Program Services				Supporting Services				
	Donor Advised Funds	Fiscal Sponsorship Program	Agency Loan Fund	Total	General and Administrative	Fundraising	Total	Total Expenses	Total Expenses
Grants	$ 30,296,273	$ 10,443,210	$ -	$ 40,739,483	$ -	$ -	$ -	$ 40,739,483	$ 52,582,521
Salaries	190,267	196,069	252,967	639,303	642,614	45,967	688,581	1,327,884	1,251,027
Employee benefits	33,734	32,316	30,446	96,496	126,593	8,727	135,320	231,816	256,990
Payroll taxes	13,077	13,380	15,231	41,688	45,841	2,674	48,515	90,203	88,001
Professional fees	-	-	-	-	163,018	5,455	168,473	168,473	114,982
Pension plan contributions	5,709	5,881	7,590	19,180	17,774	1,378	19,152	38,332	43,575
Office, utilities, and internet	65,706	32,853	32,853	131,412	32,854	-	32,854	164,266	109,105
Computer license and support	55,895	27,948	27,948	111,791	30,947	-	30,947	142,738	161,959
Insurance	8,547	4,274	4,274	17,095	13,239	-	13,239	30,334	31,920
Postage	166	166	166	498	416	-	416	914	1,154
Equipment rental and maintenance	849	655	655	2,159	653	-	653	2,812	3,130
Staff development, travel and hospitality	1,387	1,387	1,387	4,161	8,362	-	8,362	12,523	4,302
Subscription and membership fees	-	5,000	-	5,000	8,601	-	8,601	13,601	6,198
Depreciation and amortization	8,220	4,110	4,110	16,440	4,109	-	4,109	20,549	-
Miscellaneous expense	10,552	4,601	4,601	19,754	27,423	6,883	34,306	54,060	84,419
	$ 30,690,382	$ 10,771,850	$ 382,228	$ 41,844,460	$ 1,122,444	$ 71,084	$ 1,193,528	$ 43,037,988	$ 54,739,283

See notes to financial statements

FJC

Statement of Cash Flows
Year Ended March 31, 2023
(With comparative amounts for the year ended March 31, 2022)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 3,839,002	$ 13,734,737
Adjustments to reconcile change in net assets net cash from operating activities:		
Depreciation and amortization	20,549	5,044
Bad debt expense on loan receivable	-	4,023,000
Reversal of bad debt expense on loan receivable	(3,411,204)	-
Reduction in the carrying value of right-of-use assets	96,662	-
Reduction in the carrying value of right-of-use liability	(7,322)	-
Net realized and unrealized losses (gains)	17,894,236	(13,103,456)
Gain on sale of property held for sale	-	(182,774)
Change in value of beneficial interest in third-party trusts	224,132	134,413
Amortization of discount on program-related investments	(146,198)	(153,986)
Donated securities	(11,536,383)	(12,538,912)
Changes in operating assets and liabilities		
Accrued interest	(160,347)	136,205
Other assets	(126,573)	1,413,630
Grants payable	(489,429)	489,429
Accrued expenses	12,552	(54,068)
Deferred Revenue	49,719	-
Assets held for others	1,891,256	4,876,173
Net Cash from Operating Activities	8,150,652	(1,220,565)
CASH FLOWS FROM INVESTING ACTIVITIES		
Advances on loans receivable	(6,329,424)	(10,459,613)
Repayments on loans receivable	11,019,930	15,943,526
Purchase of equipment	(183,344)	(2,831)
Distributions from beneficial interest in third-party trusts	206,548	201,392
Proceeds from sale of property held for sale	-	600,000
Proceeds from sales of investments	69,356,413	82,263,900
Purchases of investments	(83,192,887)	(85,946,938)
Net Cash from Investing Activities	(9,122,764)	2,599,436
Net Change in Cash and Cash Equivalents	(972,112)	1,378,871
CASH AND CASH EQUIVALENTS		
Beginning of year	2,897,157	1,518,286
End of year	$ 1,925,045	$ 2,897,157

See notes to financial statements

1. Nature of Organization and Tax Status

FJC, a not-for-profit organization, was incorporated in 1995 for the primary purpose of assisting families and individuals by providing total management of their charitable giving, helping them take full advantage of available tax benefits and helping them serve the charitable needs of the community.

FJC's mission is to:

- Increase and maximize the impact of charitable dollars;
- Create innovative and customized philanthropic solutions; and
- Respond effectively to the needs and interests of donors, borrowers, and other clients.

Funds may be contributed to FJC to establish donor-advised funds. Donor-advised funds are invested in various ways based on donor recommendations. A donor may recommend that grants are made to charitable organizations from funds contributed, although FJC is not obligated to make such grants.

Funds may be contributed to FJC to establish a Fiscal Sponsorship Program. Fiscal sponsors advance the public benefit by facilitating the development and growth of charitable, mission-driven activities. FJC's Fiscal Sponsorship Program assists projects and organizations that have not yet received their 501(c)(3) determination letter from the Internal Revenue Service ("IRS") and permits sponsored programs to legally solicit and benefit from charitable contributions from individuals and grants from private foundations and other funding institutions.

For donor-advised funds and the Fiscal Sponsorship Program, FJC has ultimate authority over the selection of charities to receive funds as well as the timing and amounts of the distributions. Accordingly, such amounts are classified within FJC's net assets without donor restrictions. FJC distributes funds contributed, and income earned on these funds to charitable organizations described in Sections 501(c)(3) and 509(a)(1), (2) or (3) of the Internal Revenue Code (the "Sections"). Funds may be distributed to an organization other than as described in these Sections if such organization's mission is in keeping with the charitable purposes of FJC and the organization agrees to use the grant only in the furtherance of its stated and approved purposes, return any funds not used in this manner, and provide an accounting of the use of the funds no later than one year from the date of the grant.

Tax-Exempt Status

The Internal Revenue Service has ruled that FJC is a Section 501(c)(3) organization, exempt from federal income tax under Section 501(a). In addition, FJC is organized under the not-for-profit laws of New York State and as such, is exempt from taxes for New York State and City income tax purposes.

2. Summary of Significant Accounting Policies

Basis of Accounting and Use of Estimates

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

The preparation of financial statements 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Some of the more significant estimates required to be made by management include the allowance for doubtful for program related investments and loan receivables.

Recently Adopted Accounting Standards

Leases

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, Leases (Topic 842), which created new accounting and reporting guidelines for leasing arrangements. The new guidance requires organizations that lease assets to recognize assets and liabilities on the statement of financial position related to the rights and obligations created by those leases, regardless of whether they are classified as finance or operating leases. Consistent with current guidance, the recognition, measurement, and presentation of expenses and cash flows arising from a lease primarily will depend on its classification as a finance or operating lease. The guidance also requires new disclosures to help financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases.

FJC adopted the requirements of the new standard, using the modified retrospective transition method, which applies the provisions of the standard at the effective date without any adjustment to the comparative periods presented. FJC adopted the following practical expedients and elected the following accounting policies related to this standard:

- Carry forward of historical lease classifications and accounting treatment;
- Short-term lease accounting policy election allowing lessees to not recognize right-of-use assets and liabilities for leases with a term of 12 months or less; and
- The option to not separate lease and non-lease components for certain equipment lease categories such as office printers and copiers.

2. Summary of Significant Accounting Policies *(continued)*

Net Assets

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

Net Assets without Donor Restrictions - consist of funds that are expendable at the discretion of FJC for carrying out daily operations. General funds represent net assets without donor restrictions that are available for charitable use or supporting services of FJC. Donor-advised funds, in which FJC maintains variance power, are not subject to donor-imposed restrictions. Included in net assets without donor restrictions, is a board-designated fund with balances of $30,677,148 and $27,768,837 as of March 31, 2023 and 2022, respectively. Of such amounts, $4,378,062 and $4,237,377 were held as of March 31, 2023 and 2022, respectively, to provide additional credit support for the Agency Loan Fund. The remaining balance of board-designated funds are unavailable for expenditure and require the approval of FJC's Board of Directors before they may be used.

Net Assets with Donor Restrictions - resources that have been limited by donor-imposed stipulations that either expire with the passage of time or can be fulfilled and removed by the actions of FJC pursuant to those stipulations.

Net assets with donor restrictions may also include funds whereby the donors have stipulated that the principal contributed be invested and maintained in perpetuity. As of and for the years ended March 31, 2023 and 2022, FJC had no such funds.

Cash Equivalents

Cash equivalents are defined as short-term investments held by FJC for operating use with maturities of three months or less when purchased, except for those cash equivalents which are included in FJC's investment portfolio, which are held for long-term investment purposes.

Investments and Investment Returns

Investments in publicly traded debt and equity securities are recorded at fair value determined on the basis of quoted market prices. Investments that are not readily marketable are recorded at net asset value ("NAV") per share as a practical expedient to fair value as determined by the respective limited partnership, hedge fund or fund manager. Because such investments are not readily marketable, their estimated value is subject to uncertainty and therefore may differ from the value that would have been used had a ready market for such investments existed. Such differences could be material. However, the risk to FJC is limited to the amount of FJC's investment in each of the respective funds with respect to its ownership interests.

Investments in certificates of deposit with maturities greater than three months that are not debt securities are carried at cost plus accrued interest.

2. Summary of Significant Accounting Policies *(continued)*

Investments and Investment Returns (continued)

Purchases and sales of securities are reflected on a trade date basis. Gains and losses on sales of securities are recorded in the statement of activities in the period in which the securities are sold. Dividends and interest are recognized as earned.

Program-Related Investments

Donors of FJC may recommend that funds from donor-advised accounts be utilized for program-related investments. These program-related investments consist of bonds to not-for-profit organizations that bear below-market interest rates. Program-related investments are recorded at their net present value at the date bond proceeds are disbursed and are discounted using an appropriate discount rate. The bonds are adjusted during the term of the bond for repayments received as well as the change in the present value discount due to the passage of time.

Fair Value Measurements

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 820 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. This standard provides a consistent definition of fair value, which focuses on an exit price between market participants in an orderly transaction. In fair valuing its investments, FJC uses a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy used by FJC are described below:

Level 1 - Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market (most reliable and objective valuation).

Level 2 - Financial assets and liabilities whose values are based on the following:

a. Quoted prices for similar assets or liabilities in active markets;

b. Quoted prices for identical or similar assets or liabilities in non-active markets;

c. Pricing models whose inputs are observable for substantially the full term of the asset or liability; and

d. Pricing models whose inputs are derived principally from or corroborated by observable market data through correlation or other means for substantially the full term of the asset or liability, and pro rata interest in a private or affiliated investment fund.

2. Summary of Significant Accounting Policies *(continued)*

Fair Value Measurements (continued)

Level 3 - Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the asset or liability.

Investments are classified within the level of the lowest significant input considered in determining the fair value. In evaluating the level at which FJC's investments have been classified, FJC has assessed factors including, but not limited to, price transparency, subscription activity, redemption activity and the existence or absence of certain restrictions such as a gate or lockup period.

Loans Receivable

FJC's variable rate loans receivable are carried at net realizable value, except for those loans which originated prior to April 1, 2010, which are carried at fair value.

If necessary, management will provide an allowance for loan losses based on a variety of factors:

- The known financial condition of the borrower.
- Historical collection patterns and comparative aging; and
- The value of the borrower's interest in the underlying collateral and any other credit enhancements supporting performance, such as guarantees, if applicable, based on management's best estimate of the fair value of the collateral.

Since its inception, certain loans that were determined by FJC to be potentially impaired were purchased in full by a private foundation, including principal and all accrued interest. A private foundation has pledged a security interest to FJC in certain securities in a pledged collateral account, with an independent financial institution, that is hypothecated to FJC in the event of default of any loan receivable. This enhances FJC's loan portfolio's credit. The substantial market value of these pledged securities has been sufficient so that management believes that no allowance for loan losses is determined to be necessary for loans covered by this agreement.

FJC's management and loan committee review the loans receivable quarterly to determine the existence of any potentially delinquent or impaired loans, appropriateness of non-accrual of interest on such loans, and the necessity of an allowance for loan losses. At March 31, 2023, FJC had $49,719 in deferred revenue related to prepaid interest on loans receivables. At March 31, 2022, there was no deferred revenue related to prepaid interest on loans receivables.

Delinquent and Impaired Loans

Delinquent loans are defined as loans that are 30 days or more past due in payment of principal and/or interest. Impaired loans are those that are 120 days or more past due in payment of principal and/or interest. For impaired loans, FJC determines whether it will be unable to collect all amounts due.

2. Summary of Significant Accounting Policies *(continued)*

Delinquent and Impaired Loans (continued)

Assessing the likelihood that a loan will not be paid according to its contractual terms involves the consideration of all relevant facts and circumstances and requires a significant amount of judgment.

For such purposes, factors that are considered include:

- The current performance of the borrower.
- The current economic environment and financial capacity of the borrower to preclude a default.
- The willingness of the borrower to provide the support necessary to preclude a default (including the potential for successful resolution of a potential problem through modification of terms); and
- The value of the borrower’s interest in the underlying collateral and any other credit enhancements supporting performance, such as guarantees, if applicable, based on management’s best estimate of the fair value of the collateral.

In the event that FJC determines a loan to be potentially impaired, FJC will notify the private foundation that pledged securities to satisfy the loan that FJC intends to exercise its rights under the hypothecation agreement.

As of March 31, 2023 and 2022, FJC has no loans that are considered delinquent or impaired.

Non-Accrual Loans

FJC considers a non-accrual loan as a nonperforming loan that is not generating its stated interest rate due to nonpayment from the borrower. Since FJC retains the ability to call the collateral on the loan or exercise its right under the hypothecation agreement with the private foundation, FJC expects full repayment of principal and interest. Accordingly, as of March 31, 2023 and 2022, FJC has no loans on a non-accrual basis.

Allowance for Loan Losses

Management will provide an allowance for loan losses based on consideration of the known financial condition of the responsible party, historical collection patterns, and comparative aging. Such allowances are maintained at a level management considers adequate to provide for subsequent adjustments and potential uncollectible accounts. These estimates are reviewed periodically, and if the financial condition of the responsible party changes significantly, FJC will evaluate the recoverability of any loans receivable due from that organization and write off any amounts that are no longer considered recoverable. An allowance for doubtful accounts of $4,023,000 was established on March 31, 2022, for one loan held exclusively by the board designated fund. In June of 2023, FJC sold the loan to a private foundation for $4,000,000. Accordingly, as of March 31, 2023, FJC has reversed a portion of its allowance against the loan.

2. Summary of Significant Accounting Policies *(continued)*

Assets Held for Others

Assets held for others are funds received from not-for-profit organizations, some of which have transferred funds to FJC for the purpose of investing in FJC's agency loan fund, which is available to provide secured interest-bearing loans to charitable organizations. These funds can be redeemed by the participants in accordance with FJC's policies. FJC does not have variance power over the use of these assets.

Beneficial Interest in Third-Party Trusts

FJC is a beneficiary of a number of irrevocable charitable lead trusts held by third parties. On the dates on which these charitable trusts were established, contributed revenues and receivables are recognized at the present value of the estimated future benefits to be received by FJC, discounted using an appropriate discount rate. The receivable is adjusted during the term of the trusts for amounts received as well as the change in the present value discount due to the passage of time.

Fixed Assets

Fixed assets consisting of furniture and fixtures, equipment, software, and leasehold improvements are stated at cost less accumulated depreciation and amortization. Additions and improvements costing more than $10,000 and with estimated useful lives greater than three years are capitalized. FJC provides for depreciation and amortization of furniture, fixtures, equipment, and software on a straight-line basis over the estimated useful lives of the assets ranging from three to ten years. Amortization of leasehold improvements is provided on a straight-line basis over the lesser of the term of the lease or the estimated useful lives of the improvements and included with depreciation. Repairs and maintenance that do not improve or extend the life of the respective asset are charged to expense as incurred.

Website Costs

Website costs related to application development, site configuration and infrastructure, and conceptual design are capitalized. Costs relating to the operation and support are expensed as incurred. FJC capitalizes website costs that have a cost of $10,000 or more and an estimated useful life of greater than three years. Capitalized costs are amortized over a seven-year expected life using the straight-line method and included with depreciation.

2. Summary of Significant Accounting Policies *(continued)*

Revenue Recognition

FJC recognizes revenue in accordance with U.S. GAAP. In accordance with U.S. GAAP, FJC evaluates whether a transfer of assets is (1) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred or (2) a contribution. If the transfer of assets is determined to be an exchange transaction, FJC applies guidance under ASC 606 Revenue from Contracts with Customers. If the transfer of assets is determined to be a contribution, FJC evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before FJC is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets.

Contributions and unconditional promises to give are recognized as revenue in the period received. Conditional contributions and promises to give are recorded as revenue when the conditions on which they depend have been substantially met. Contributions of non-monetary assets are recorded at the estimated fair value of the assets contributed. There was no contract assets and/or liabilities at March 31, 2023 and 2022.

Management Fees (Revenue from Contracts with Customers)

FJC recognizes revenue in the form of management fees from its eleemosynary fund accounts ("EFA"). The fees are based on a percentage of the average daily balance in the account, calculated and assessed quarterly. EFA fee rates range from .45% to 1% annually based upon funds investment allocation. The revenue is recognized overtime.

Leases

FJC determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use ("ROU") assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. FJC does not report ROU assets and leases liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

ROU assets represent the right to use an underlying asset for the lease term and are recognized in an amount equal to the lease liability adjusted for any initial direct cots, prepaid or deferred rent, and lease incentives. The present value of the lease liability is determined using the risk-free discount rate at lease inception for operating leases.

2. Summary of Significant Accounting Policies *(continued)*

Functional Expenses

The costs, including depreciation expense, of providing FJC's various grants, programs and supporting services are summarized on a functional basis in the accompanying statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, direct costs have been allocated to the program and supporting services based on the nature of each expense. Indirect expenses have been allocated on the basis of utilization of resources by each FJC department and by employee time allocations.

Grants and Program Expenses

Grants are made to support not-for-profit organizations and charitable needs and are recorded when awarded via approval by FJC's grants committee. Grants expensed have no conditions or barriers to the recipients of these grants to overcome. In addition, grants are made to charitable organizations as recommended by donors in conjunction with donor-advised funds. Certain administrative costs that relate to making grants to philanthropic organizations have been allocated to program expenses on the basis of salaries and other bases as determined by FJC's management to be appropriate.

Accounting for Uncertainty in Income Taxes

FJC recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that FJC had no uncertain tax positions that would require financial statement recognition or disclosure. FJC is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to March 31, 2020.

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with FJC's financial statements as of and for the year ended March 31, 2022, from which the summarized information was derived.

Subsequent Events

FJC evaluated its March 31, 2023, financial statements for subsequent events through October 11, 2023, the date the financial statements were available to be issued. FJC is not aware of any material subsequent events which would require recognition or disclosure in the accompanying financial statements, other than disclosed herein.

3. Concentration of Credit Risk

Financial instruments which potentially subject FJC to concentrations of credit risk consist of cash and cash equivalents, investments and receivables. FJC maintains its cash and cash equivalents in various accounts which, at times, may exceed federally insured limits. FJC also holds interests in uninsured money market mutual funds that are held in accounts at brokerage firms and are reported with investments in the accompanying statement of financial position. The accounts at the brokerage firms are covered by SIPC insurance up to $500,000.

As of March 31, 2023 and 2022, FJC held accounts totaling approximately $230,858,688 and $233,847,710, respectively, with Merrill Lynch and Bank of America Corporation. FJC has other investment accounts with balances above the limit covered by SIPC insurance. The investment portfolio is diversified by type of investments and industry concentrations so that no individual investment or group of investments represents a significant concentration of risk.

Receivables are expected to be collected in the normal course of business.

4. Investments

The following is a summary of investments, at fair value, at March 31:

	2023	2022
Cash equivalents	$ 10,565,513	$ 5,956,312
U.S. equities and preferred stock	50,628,698	49,456,766
International equities	4,962,002	4,578,992
Exchange-traded funds	16,028,530	1,685,641
U.S. Government securities	37,288,459	10,165,240
Corporate and municipal bonds	2,051,933	3,743,760
	121,525,135	75,586,711
Mutual Funds		
Money market	87,225,741	113,378,102
U.S. equities	55,302,013	79,979,318
International equities	8,444,687	4,270,010
Fixed income	32,309,919	23,041,172
	183,282,360	220,668,602
Alternative Investments		
Hedge funds	41,419,738	47,148,290
Private equity	530,047	-
Private companies	405,000	100,000
	42,354,785	47,248,290
Transactions to be settled	2,823,720	-
Certificate of deposit	996,224	-
Total Investments	$ 350,982,224	$ 343,503,603

4. Investments *(continued)*

Non-marketable equity securities consist of investments in privately held companies without readily determinable market values. FJC adjusts the carrying value of non-marketable equity securities up or down for observable price changes in orderly transactions for identical or similar investments of the same issuer and for impairment, if any (referred to as the measurement alternative). Determining whether an observed transaction is similar to a security within the portfolio requires judgment based on the rights and obligations of the securities. Recording upward and downward adjustments to the carrying value of our equity securities as a result of observable price changes requires quantitative assessments of the fair value of the securities using various valuation methodologies and involves the use of estimates. Nonmarketable equity securities under the measurement alternative are also assessed for impairment.

During fiscal 2016, FJC was the recipient of various shares of stock in a privately held company for which it has no ability to redeem. While reasonable efforts were made, FJC was unable to obtain sufficient information to measure the fair value of such interests as of the date of the contribution or its subsequent measurement date (i.e., March 31, 2023 and 2022). Accordingly, FJC has not recorded its interest in the privately held company in the accompanying financial statements.

FJC invests in certain alternative investments, including investments through funds of funds and limited partnerships. Through these investments, FJC is indirectly involved in investment activities such as securities lending, short sales of securities, options, warrants, trading in futures and forwards contracts, swap contracts, and other derivative products. Derivatives are tools used to maintain asset mix or adjust portfolio risk exposure. While these financial instruments may contain varying degrees of risk, FJC's risk with respect to such transactions is limited to its carrying value in each investment.

4. Investments *(continued)*

The following table presents FJC's fair value hierarchy for those investments measured at fair value on a recurring basis at March 31:

	2023				
	Level 1	Level 2	Level 3	Net Asset Value*	Total
U.S. equities and preferred stock	$ 50,628,698	$ -	$ -	$ -	$ 50,628,698
International equities	4,962,002	-	-	-	4,962,002
Exchange-traded funds	16,028,530	-	-	-	16,028,530
U.S. Government securities	37,288,459	-	-	-	37,288,459
Corporate and municipal bonds	-	2,051,933	-	-	2,051,933
Mutual Funds:					
Money markets	87,225,741	-	-	-	87,225,741
U.S. equities	55,302,013	-	-	-	55,302,013
International equities	8,444,687	-	-	-	8,444,687
Fixed income	32,309,919	-	-	-	32,309,919
Alternative Investments:					
Hedge funds	-	-	-	41,419,738	41,419,738
Private equity	-	-	-	530,047	530,047
Private companies	-	-	405,000	-	405,000
Total Investments at Fair Value	292,190,049	2,051,933	405,000	41,949,785	336,596,767
Transactions to be settled	-	-	-	-	2,823,720
Certificate of deposit	-	996,224	-	-	996,224
Cash equivalents, at cost	-	-	-	-	10,565,513
Total Investments	$ 292,190,049	$ 3,048,157	$ 405,000	$ 41,949,785	$ 350,982,224

	2022				
	Level 1	Level 2	Level 3	Net Asset Value*	Total
U.S. equities and preferred stock	$ 49,456,766	$ -	$ -	$ -	$ 49,456,766
International equities	4,578,992	-	-	-	4,578,992
Exchange-traded funds	1,685,641	-	-	-	1,685,641
U.S. Government securities	10,165,240	-	-	-	10,165,240
Corporate and municipal bonds	-	3,743,760	-	-	3,743,760
Mutual Funds:					
Money markets	113,378,102	-	-	-	113,378,102
U.S. equities	79,979,318	-	`	-	79,979,318
International equities	4,270,010	-	-	-	4,270,010
Fixed income	23,041,172	-	-	-	23,041,172
Alternative Investments:					
Hedge funds	-	-	-	47,148,290	47,148,290
Private companies	-	-	100,000	-	100,000
Total Investments at Fair Value	286,555,241	3,743,760	100,000	47,148,290	337,547,291
Cash equivalents, at cost	-	-	-	-	5,956,312
Total Investments	$ 286,555,241	$ 3,743,760	$ 100,000	$ 47,148,290	$ 343,503,603

4. Investments *(continued)*

* In accordance with ASC Subtopic 820-10, investments measured at fair value using NAV per share as a practical expedient have not been categorized in the fair value hierarchy.

A reconciliation of Level 3 investments is as follows for the years ended March 31:

	2023					
	Beginning Balance at March 31, 2022	Realized and Unrealized Loss	Purchases (Including Contributions)	Sales (Including Withdrawals)	Net Transfers In (Out) of Level 3	Ending Balance at March 31, 2023
Private companies	$ 100,000	$ (123,590)	$ 3,252,310	$ (2,823,720)	$ -	$ 405,000

	2022					
	Beginning Balance at March 31, 2021	Realized and Unrealized Loss	Purchases (Including Contributions)	Sales (Including Withdrawals)	Net Transfers In (Out) of Level 3	Ending Balance at March 31, 2022
Private companies	$ 535,129	$ (118,184)	$ -	$ (316,945)	$ -	$ 100,000

For investments held in private companies, redemptions require the approval of all members. As of March 31, 2023, there are no unfunded commitments.

FJC uses the NAV per share or its equivalent to determining the fair value of all the underlying investment which (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company. The following table lists such investments by major category:

2023							
Type	Strategy	NAV in Funds	# of Funds	Remaining Life	Amount of Unfunded Commitments	Redemption Terms	Redemptions Restrictions
Hedge funds	Absolute return, diversified long/short, event-driven, multi-strategy	$41,419,738	13	Subject to the determination of the respective fund managers	N/A	6 funds are monthly with a 10 to 30 days notice, 6 funds are quarterly with a 45 to 90 days notice and 1 fund (5% of total NAV in funds) semi-annually with 90 day notice	1 fund has 25% investor level gates, 1 fund has 12 month lock up on purchases, all others funds have none
Private Equity	Long term gains through acquisition of controlling interest of lower-middle market of technology-driven sector.	$530,047	1	10 Years from initial closing.	$4,367,682	Minimum 5-year commitment	Redemptions restricted until completion of Fund's life cycle.

4. Investments *(continued)*

2022

Type	Strategy	NAV in Funds	# of Funds	Remaining Life	Amount of Unfunded Commitments	Redemption Terms	Redemptions Restrictions
Hedge funds	Absolute return, diversified long/short, event-driven, multi-strategy	$47,148,290	13	Subject to the determination of the respective fund managers	N/A	6 funds are monthly with a 10 to 30 days notice, 6 funds are quarterly with a 45 to 90 days notice and 1 fund (7% of total NAV in funds) semi-annually with 90 day notice	1 fund has 25% investor level gates, 1 fund has 12 month lock up on purchases, all others funds have none

5. Program-Related Investments

Program-related investments at the recommendation of a donor advised fund that consist of bonds acquired by FJC in November 2020 that were issued by a local development corporation, organized under the Not-for-Profit Laws of the State of New York on behalf of another 501(c)(3) organization. The bonds were originally issued with interest rates ranging from 2.79% - 3.05%, and an original maturity date of November 1, 2045. The face value of the bonds is $9,488,093. The agreement for FJC to purchase the bonds calls for a purchase price of $9,491,520, modifies the rate to a fixed interest rate of 1% through December 2025, eliminates bond principal payments until December 2025, and provides FJC the ability to sell the bonds at the end of 5 years. FJC intends to sell the bonds at the end of the five years, and accordingly recognized a present value discount of $652,466 at the time of purchase, which represents the difference between the original interest rates at the time the bonds were issued and the current rate of 1% over the five years. At March 31, 2023 and 2022, the net balance of FJC's program-related investments was $9,139,238 and $8,993,040, respectively.

Expected future payments and amortization of the discount for each fiscal year are as follows:

	Interest Payments	Amortization of Discount
2024	$ 96,462	$ 138,901
2025	96,726	130,166
2026	64,572	83,215
	$ 257,760	$ 352,282

6. Loans Receivable

The net balance of loans receivable are as follows as of March 31:

	2023	2022
Agency loan funds (a)	$ 16,761,432	$ 21,940,332
Other loans (b)	5,543,567	5,055,174
	22,304,999	26,995,506
Allowance for doubtful accounts	(611,796)	(4,023,000)
	$ 21,693,203	$ 22,972,506

(a) Loans receivable consist of interest-bearing loans to charitable organizations, at a variable interest rate, generally prime rate plus 3% (8% at March 31, 2023 and 6.50% at March 31, 2022, Federal Funds Effective Rates as set by the Federal Open Market Committee), with varying maturities through June 2027. At March 31, 2023 and 2022, interest receivable on these loans amounted to $273,268 and $107,274. The loans are secured in whole or in part by the assets of the borrowers. Certain loans receivable are also supported by personal guarantees on behalf of the borrowers.

The hypothecated account held by a private foundation includes treasuries, insured certificates of deposit and a money market fund (with fair values of $20,426,596 and $19,958,851 at March 31, 2023 and 2022, respectively), to be used as collateral for the repayment of principal amounts in the event of default of any of the loans receivable. This amount is not recorded in the accompanying financial statements. This agreement remains in effect until October 1, 2023, and is renewable by mutual consent. Subsequent to year-end, the agreement is still pending renewal, which is expected to be completed sometime during fiscal year 2024.

(b) FJC holds a loan receivable in the amount of $4,000,000 from Signal Infrastructure Group, PBC (“SIG”). The loan bears interest at 12.5%. Interest shall be due quarterly starting June 30, 2021, but may be paid in kind (accruing but not paid). This may continue until the earlier of the final maturity date of May 10, 2026, or 6 months after the date that a final advance from an Infrastructure Investor has been advanced to SIG. All accrued interest shall be added to the outstanding principal amount and capitalized, at each quarter-end. At March 31, 2022, an allowance of $4,023,000 was established representing approximately 90% of the principal and interest due. FJC accepted an offer to sell this loan for $4,000,000 to a private foundation subsequent to year end during June 2023. Accordingly, FJC has reversed the allowance of $3,411,204 and kept the allowance equal to $611,796. At March 31, 2023 and 2022, $4,611,795 and $4,470,541, was the outstanding principal balance.

Other loans also consist of additional interest-bearing loans to charitable organizations totaling $931,772 and $584,633 at March 31, 2023 and 2022, at lower interest rates of, ranging from 0% to 7.5%, and have varying maturities through September 2028. At March 31, 2023 and 2022, interest receivable on these loans amounted to $45,078 and $50,722. The loans are secured in whole or in part by the assets of the borrowers.

6. Loans Receivable *(continued)*

As of March 31, 2023 and 2022, the carrying value of loans receivable for which the fair value option was not elected was $21,693,204 and $22,972,506, respectively.

Loan receivables, based upon loan agreements matures as follows:

Year Ending March 31,	
2024	$ 7,829,642
2025	6,548,821
2026	2,241,434
2027	380,000
2028	4,468,053
Thereafter	225,254
	$ 21,693,204

7. Beneficial Interest in Third-Party Trusts

During fiscal 2018, FJC was named as a beneficiary to irrevocable charitable lead trusts for which a pre-established payment stream ranging between 10 to 27 years was determined by the gift instrument. The present value of the related interest, using a discount factor of 4.15% and 2.94%, was estimated to be $2,356,659 and $2,787,339 as of March 31, 2023, and 2022, respectively. This beneficial interest in third-party trusts is reflected as net assets with donor restrictions on the accompanying statement of financial position. Such assets represent FJC's only net assets with donor restrictions at March 31, 2023, and 2022. FJC's net assets released from restrictions, which toted $206,548 and $201,392 for the fiscal years ended March 31, 2023 and 2022, respectively, were related to payments received from such charitable lead trusts during the fiscal year.

	2023	2022
Balance at beginning of the year	$ 2,787,339	$ 3,123,144
Less:		
Distributions received	206,548	201,392
Discount	224,132	134,413
Balance at the end of the year	$ 2,356,659	$ 2,787,339

8. Fixed Assets

Fixed assets consisted of the following at March 31:

	2023	2022
Computer hardware	$ 69,028	$ 14,732
Furniture and fixtures	100,315	-
Leasehold improvements	28,733	-
Website	25,000	25,000
	223,076	39,732
Less accumulated depreciation and amortization	(27,379)	(6,830)
	$ 195,697	$ 32,902

9. Leases

FJC determines whether to account for its leases as operating or financing leases depending on the underlying terms of the lease agreement. FJC elected the practical expedient to account for non-lease components and the lease components to which they relate as a single component for all operating leases.

On May 6, 2022, FJC entered into a lease agreement for office space under a non-cancelable 10 ½ year operating lease that expires on December 31, 2032. The agreement provides for a monthly rent amount of $12,667 to commence once the rent abatement period expires. The monthly rent amount will increase 2.5% each year over the life of the lease. The lease contains no significant restrictions. The lease provides for a rent abatement period equal to 6 months' rent and a rent step up each January, beginning in 2024.

FJC has determined that no other current contracts meet the requirements of ASU No. 2016-02.

9. Leases (*continued)*

For the year ended March 31, 2023:

Operating lease expense	$ 127,344
Variable lease expense	4,714
	$ 132,058
Supplemental cash flows	
Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from operating lease	$ 38,004
ROU assets obtained in exchange for operating lease liability	$ 1,533,295
Weighted average remaining lease term	
Operating lease	9.75
Weighted average discount rate	
Operating lease	2.67%

Minimum future lease payments under the operating lease for each of the following years and in the aggregate are:

Year Ending March 31,	
2024	$ 152,952
2025	156,771
2026	160,692
2027	164,715
2028	172,632
Thereafter	937,053
Total Undiscounted Cash Flows	1,744,815
Less present value discount	(218,842)
Total Lease Liability	$ 1,525,973

10. Retirement Savings Plan

FJC sponsors a defined contribution plan (the "Plan") covering all employees with at least three months of consecutive service. FJC makes a contribution to the Plan each year equal to 3% of all participants' compensation. Total expense for the years ended March 31, 2023 and 2022, was approximately $38,000 and $44,000, respectively.

11. Liquidity and Availability of Financial Resources

FJC's financial assets available within one year of the statement of financial position date for general expenditures are as follows as of March 31:

	2023	2022
Cash and cash equivalents	$ 1,925,045	$ 2,897,157
Investments	350,047,177	343,403,603
Loans receivable	7,829,642	15,209,927
Accrued interest	318,344	157,997
Beneficial interest in third-party trusts distribution	210,625	206,548
Other assets	-	45,913
	360,330,833	361,921,145
Less:		
Assets held for others	49,258,710	47,367,454
Total Financial Assets Available to Management for General Expenditure Before Amounts Subject to the Board of Director's approval	311,072,123	314,553,691
Less:		
Amounts unavailable to management without Board approval Board-designated fund	30,677,148	27,768,837
Total Financial Assets Available Within One Year	$ 280,394,975	$ 286,784,854

Liquidity Management

FJC's liquidity needs are based on multiple variables, some of which are known or anticipated cash operating needs, but also based on unpredictable donor activity. Known or anticipated cash operating needs generate from the anticipated program, management and general, and fundraising-related expenses as well as anticipated loan advances and maturities of FJC's Agency Loan Program. Donor activities, such as donor contributions and donor grant requests are unpredictable and may change from one period to the next. When a Donor Advised Fund ("DAF") account is funded, the contribution is an unrestricted contribution to FJC and the funds become the assets of FJC. Ultimately, it is the decision of FJC as to how those funds are deployed, but FJC extends to the donor the privileges of recommending how those funds are invested and recommending grants to qualified charities.

As part of FJC's liquidity management, FJC maintains a rolling twelve months of fixed income asset maturities to maintain cash liquidity needs while still maintaining maximum growth on FJC's investment portfolio and likewise maximizing donor-advised fund assets. FJC monitors the liquidity needs of the organization and investment portfolio rebalancing on an ongoing basis.

* * * * *

FJC

Supplementary Schedules

March 31, 2023 and 2022

FJC

Schedule of Financial Position for Agency Loan Funds
As of March 31, 2023 and 2022

	2023	2022
ASSETS		
Investments	$ 56,715,991	$ 53,214,084
Loans receivable	16,761,432	21,940,332
Accrued interest	273,268	107,274
Total Assets	$ 73,750,691	$ 75,261,690
NET ASSETS		
EFA - assets held for others	$ 19,256,727	$ 24,891,575
Agency loan fund balance	54,493,964	50,370,115
Total Net Assets	$ 73,750,691	$ 75,261,690

See independent auditors' report

FJC

Schedule of Activities for Agency Loan Funds
For the year ended March 31, 2023 and 2022

	2023	2022
ADDITIONS		
Loan Interest	$ 1,820,258	$ 1,817,809
Interest and dividend, net	829,692	9,810
Net realized and unrealized gain	536,284	-
Total Additions	3,186,234	1,827,619
DEDUCTIONS		
Credit enhancement fund	212,797	195,484
Total Deductions	212,797	195,484
Net Change	$ 2,973,437	$ 1,632,135

See independent auditors' report

FJC

Schedule of Change in Net Assets for Agency Loan Funds
For the year ended March 31, 2023 and 2022

	2023		
	Donor-Advised Funds	EFA Assets Held For Others	Total Net Assets
Net assets – beginning of year	$ 50,370,115	$ 24,891,575	$ 75,261,690
Increase in net assets	2,000,610	972,827	2,973,437
Contributions to Agency Loan Fund	39,157,094	252	39,157,346
Redemption from Agency Loan Fund	(37,033,855)	(6,607,927)	(43,641,782)
Net assets – end of year	$ 54,493,964	$ 19,256,727	$ 73,750,691

	2022		
	Donor-Advised Funds	EFA Assets Held For Others	Total Net Assets
Net assets – beginning of year	$ 45,219,184	$ 22,233,226	$ 67,452,410
Increase in net assets	1,065,879	566,256	1,632,135
Contributions to Agency Loan Fund	38,548,640	3,409,478	41,958,118
Redemption from Agency Loan Fund	(34,463,588)	(1,317,385)	(35,780,973)
Net assets – end of year	$ 50,370,115	$ 24,891,575	$ 75,261,690

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