

**JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC.  
AND SUBSIDIARY**



**The Jewish Board**

Health and Human Services for All New Yorkers

**Consolidated Financial Statements  
(Together with Independent Auditors' Report)**

**Years Ended June 30, 2020 and 2019**

**M A R K S P A N E T H**

ACCOUNTANTS & ADVISORS

**JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC. AND SUBSIDIARY**

**CONSOLIDATED FINANCIAL STATEMENTS  
(Together with Independent Auditors' Report)**

**YEARS ENDED JUNE 30, 2020 AND 2019**

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## INDEPENDENT AUDITORS' REPORT

The Board of Trustees of the  
Jewish Board of Family and Children's Services, Inc. and Subsidiary

We have audited the accompanying consolidated financial statements of the Jewish Board of Family and Children's Services, Inc. and Subsidiary ("The Jewish Board") which comprise the consolidated statements of financial position as of June 30, 2020 and 2019, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Jewish Board as of June 30, 2020 and 2019, 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.

## ***Report on Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on pages 24 - 29 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position of the individual entities and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Marks Paneth LLP*

New York, NY  
December 14, 2020

**JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2020 AND 2019**

| <b>ASSETS</b>   | <u><b>2020</b></u>               | <u><b>2019</b></u>               |
|---|----------------------------------|----------------------------------|
| Cash and cash equivalents (Notes 2C and 18A)                | \$ 2,878,118                     | \$ 7,425,575                     |
| Accounts receivable, net (Notes 2D and 4)                   | 45,297,903                       | 36,092,468                       |
| Contributions receivable, net (Notes 2D, 2E and 5)          | 2,134,082                        | 1,506,741                        |
| Investments (Notes 2F, 6 and 7)                             | 87,489,136                       | 108,059,803                      |
| Prepaid expenses and other assets (Note 2H)                 | 6,484,831                        | 7,057,715                        |
| Property and equipment, net (Notes 2G and 8)                | <u>63,702,280</u>                | <u>67,627,031</u>                |
| <br><b>TOTAL ASSETS</b>                                     | <br><u><b>\$ 207,986,350</b></u> | <br><u><b>\$ 227,769,333</b></u> |
| <br><b>LIABILITIES</b>                                      |                                  |                                  |
| Accounts payable and accrued expenses (Notes 2C and 2H)     | \$ 5,761,520                     | \$ 8,309,278                     |
| Accrued salaries and related benefits                       | 7,037,599                        | 5,768,205                        |
| Accrued vacation  | 6,130,787                        | 5,497,566                        |
| Accrued postretirement benefits (Note 13)                   | 10,457,099                       | 10,263,633                       |
| Other pension liabilities (Note 14B)                        | 2,947,280                        | 2,738,706                        |
| Deferred rent (Notes 2M and 17A)                            | 60,170                           | 348,670                          |
| Due to government agencies and deferred revenues (Note 17C) | 20,365,419                       | 23,237,877                       |
| Bank lines of credit (Note 11)                              | 27,000,000                       | 26,000,000                       |
| Loan payable (Note 12)                                      | 287,500                          | -                                |
| IDA bonds payable (Note 9)                                  | 7,645,970                        | 9,258,090                        |
| Other long-term debt (Note 10)                              | <u>13,372,487</u>                | <u>15,462,002</u>                |
| <br><b>TOTAL LIABILITIES</b>                                | <br><u><b>101,065,831</b></u>    | <br><u><b>106,884,027</b></u>    |
| <br><b>COMMITMENTS AND CONTINGENCIES</b> (Note 17)          |                                  |                                  |
| <br><b>NET ASSETS</b> (Note 2B)                             |                                  |                                  |
| Without donor restrictions:                                 |                                  |                                  |
| Invested in property and equipment                          | 42,683,823                       | 42,906,939                       |
| Available for operations                                    | <u>46,267,224</u>                | <u>57,660,592</u>                |
| Total without donor restrictions                            | <u>88,951,047</u>                | <u>100,567,531</u>               |
| With donor restrictions:                                    |                                  |                                  |
| Perpetual in nature   | 6,565,209                        | 6,565,209                        |
| Time and purpose restricted                                 | <u>11,404,263</u>                | <u>13,752,566</u>                |
| Total with donor restrictions (Note 16)                     | <u>17,969,472</u>                | <u>20,317,775</u>                |
| <br><b>TOTAL NET ASSETS</b>                                 | <br><u><b>106,920,519</b></u>    | <br><u><b>120,885,306</b></u>    |
| <br><b>TOTAL LIABILITIES AND NET ASSETS</b>                 | <br><u><b>\$ 207,986,350</b></u> | <br><u><b>\$ 227,769,333</b></u> |

**JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

|  | For the Year Ended June 30, 2020 |                            |                       | For the Year Ended June 30, 2019 |                            |                       |
|--|----------------------------------|----------------------------|-----------------------|----------------------------------|----------------------------|-----------------------|
|  | Without Donor<br>Restrictions    | With Donor<br>Restrictions | Total<br>2020         | Without Donor<br>Restrictions    | With Donor<br>Restrictions | Total<br>2019         |
| <b>OPERATING REVENUE AND SUPPORT</b> (Note 2L):  |                                  |                            |                       |                                  |                            |                       |
| Program service fees (Notes 2I and 19)   | \$ 134,743,367                   | \$ -                       | \$ 134,743,367        | \$ 128,696,409                   | \$ -                       | \$ 128,696,409        |
| Government grants (Note 2I)  | 74,660,165                       | -                          | 74,660,165            | 71,652,291                       | -                          | 71,652,291            |
| Contributions (Note 2E)  | 5,440,471                        | 21,990                     | 5,462,461             | 5,291,922                        | 1,027,554                  | 6,319,476             |
| Special events (net of direct costs of \$205,909 and \$366,669 for the years ended June 30, 2020 and 2019, respectively) | 1,326,777                        | -                          | 1,326,777             | 2,099,862                        | -                          | 2,099,862             |
| United Jewish Appeal-Federation of Jewish Philanthropies of New York, Inc.   | 7,077,247                        | -                          | 7,077,247             | 9,176,469                        | -                          | 9,176,469             |
| Donated services (Note 2J)   | 837,191                          | -                          | 837,191               | 2,357,419                        | -                          | 2,357,419             |
| Rentals and other income   | 1,228,940                        | -                          | 1,228,940             | 1,307,711                        | -                          | 1,307,711             |
| Investment income used for operations (Notes 6 and 16)   | 5,552,771                        | (110,015)                  | 5,442,756             | 4,806,494                        | (250,958)                  | 4,555,536             |
| Net assets released from restrictions (Notes 2B and 16)  | 2,370,293                        | (2,370,293)                | -                     | 1,924,413                        | (1,924,413)                | -                     |
| <b>TOTAL OPERATING REVENUE AND SUPPORT</b>   | <u>233,237,222</u>               | <u>(2,458,318)</u>         | <u>230,778,904</u>    | <u>227,312,990</u>               | <u>(1,147,817)</u>         | <u>226,165,173</u>    |
| <b>OPERATING EXPENSES</b>  |                                  |                            |                       |                                  |                            |                       |
| <b>Program Services:</b>   |                                  |                            |                       |                                  |                            |                       |
| Residential  | 118,818,187                      | -                          | 118,818,187           | 124,345,078                      | -                          | 124,345,078           |
| Community services   | 87,292,732                       | -                          | 87,292,732            | 87,030,809                       | -                          | 87,030,809            |
| Education  | 3,211,930                        | -                          | 3,211,930             | 3,288,652                        | -                          | 3,288,652             |
| Vocational   | 1,224,299                        | -                          | 1,224,299             | 612,549                          | -                          | 612,549               |
| <b>Total Program Services</b>  | <u>210,547,148</u>               | <u>-</u>                   | <u>210,547,148</u>    | <u>215,277,088</u>               | <u>-</u>                   | <u>215,277,088</u>    |
| <b>Supporting Services:</b>  |                                  |                            |                       |                                  |                            |                       |
| Management and general   | 26,239,342                       | -                          | 26,239,342            | 24,809,828                       | -                          | 24,809,828            |
| Fundraising  | 1,357,406                        | -                          | 1,357,406             | 1,381,729                        | -                          | 1,381,729             |
| <b>Total Supporting Services</b>   | <u>27,596,748</u>                | <u>-</u>                   | <u>27,596,748</u>     | <u>26,191,557</u>                | <u>-</u>                   | <u>26,191,557</u>     |
| <b>TOTAL OPERATING EXPENSES</b>  | <u>238,143,896</u>               | <u>-</u>                   | <u>238,143,896</u>    | <u>241,468,645</u>               | <u>-</u>                   | <u>241,468,645</u>    |
| <b>CHANGE IN NET ASSETS FROM OPERATIONS</b>  | <u>(4,906,674)</u>               | <u>(2,458,318)</u>         | <u>(7,364,992)</u>    | <u>(14,155,655)</u>              | <u>(1,147,817)</u>         | <u>(15,303,472)</u>   |
| <b>NON-OPERATING ACTIVITIES</b> (Note 2L):   |                                  |                            |                       |                                  |                            |                       |
| Investment activity (Note 6)   | (922,227)                        | -                          | (922,227)             | 3,840,841                        | -                          | 3,840,841             |
| Less: Amount used for operations (Note 6)  | (5,552,771)                      | 110,015                    | (5,442,756)           | (4,806,494)                      | 250,958                    | (4,555,536)           |
| Investment activity over/(under) amounts used for operations   | (6,474,998)                      | 110,015                    | (6,364,983)           | (965,653)                        | 250,958                    | (714,695)             |
| <b>TOTAL NON-OPERATING ACTIVITIES</b>  | <u>(6,474,998)</u>               | <u>110,015</u>             | <u>(6,364,983)</u>    | <u>(965,653)</u>                 | <u>250,958</u>             | <u>(714,695)</u>      |
| <b>CHANGE IN NET ASSETS BEFORE POSTRETIREMENT RELATED CHANGES</b>  | <u>(11,381,672)</u>              | <u>(2,348,303)</u>         | <u>(13,729,975)</u>   | <u>(15,121,308)</u>              | <u>(896,859)</u>           | <u>(16,018,167)</u>   |
| Postretirement related changes other than net periodic pension costs (Note 13)   | (234,812)                        | -                          | (234,812)             | (405,640)                        | -                          | (405,640)             |
| <b>CHANGE IN NET ASSETS</b>  | <u>(11,616,484)</u>              | <u>(2,348,303)</u>         | <u>(13,964,787)</u>   | <u>(15,526,948)</u>              | <u>(896,859)</u>           | <u>(16,423,807)</u>   |
| Net assets - beginning of year   | 100,567,531                      | 20,317,775                 | 120,885,306           | 116,094,479                      | 21,214,634                 | 137,309,113           |
| <b>NET ASSETS - END OF YEAR</b>  | <u>\$ 88,951,047</u>             | <u>\$ 17,969,472</u>       | <u>\$ 106,920,519</u> | <u>\$ 100,567,531</u>            | <u>\$ 20,317,775</u>       | <u>\$ 120,885,306</u> |

The accompanying notes are an integral part of these consolidated financial statements.

**JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2020**  
**(With Comparative Totals for June 30, 2019)**

|  | Program Services      |                       |                     |                     | Supporting Services          |                           |                     | Total<br>2020        | Total<br>2019         |                                 |
|--|-----------------------|-----------------------|---------------------|---------------------|------------------------------|---------------------------|---------------------|----------------------|-----------------------|---------------------------------|
|  | Residential           | Community<br>Services | Education           | Vocational          | Total<br>Program<br>Services | Management<br>and General | Fundraising         |                      |                       | Total<br>Supporting<br>Services |
| Salaries   | \$ 56,051,245         | \$ 51,559,817         | \$ 1,533,198        | \$ 915,011          | \$ 110,059,271               | \$ 11,299,762             | \$ 824,998          | \$ 12,124,760        | \$ 122,184,031        | \$ 116,657,380                  |
| Payroll taxes and benefits (Notes 13, 14 and 15) | 17,230,263            | 15,408,139            | 480,491             | 181,640             | 33,300,533                   | 4,224,180                 | 252,932             | 4,477,112            | 37,777,645            | 39,338,541                      |
| <b>Total Personnel Costs</b>                     | <b>73,281,508</b>     | <b>66,967,956</b>     | <b>2,013,689</b>    | <b>1,096,651</b>    | <b>143,359,804</b>           | <b>15,523,942</b>         | <b>1,077,930</b>    | <b>16,601,872</b>    | <b>159,961,676</b>    | <b>155,995,921</b>              |
| Consulting and professional fees                 | 5,450,374             | 4,293,233             | 602,662             | 9,642               | 10,355,911                   | 2,633,121                 | 29,487              | 2,662,608            | 13,018,519            | 13,500,372                      |
| Recruiting                                       | 223,204               | 97,650                | -                   | -                   | 320,854                      | 430,943                   | -                   | 430,943              | 751,797               | 564,919                         |
| Other contract services                          | 1,408,736             | 1,300,598             | 17,008              | 5,513               | 2,731,855                    | 1,629,686                 | 82,329              | 1,712,015            | 4,443,870             | 4,403,925                       |
| Supplies   | 2,706,681             | 483,533               | 18,190              | 67,640              | 3,276,044                    | 319,727                   | 6,136               | 325,863              | 3,601,907             | 2,691,205                       |
| Telephone  | 1,021,703             | 832,540               | 27,659              | 5,514               | 1,887,416                    | 199,291                   | 8,255               | 207,546              | 2,094,962             | 1,340,581                       |
| Postage and shipping                             | 18,528                | 11,402                | 195                 | 2,326               | 32,451                       | 23,837                    | 8,007               | 31,844               | 64,295                | 61,559                          |
| Occupancy (Note 17A)                             | 8,537,054             | 7,446,619             | 242,951             | 14,159              | 16,240,783                   | 1,957,868                 | 83,665              | 2,041,533            | 18,282,316            | 17,842,489                      |
| Equipment rental and other costs (Note 17A)      | 144,556               | 155,324               | 5,558               | -                   | 305,438                      | 50,972                    | 1,129               | 52,101               | 357,539               | 359,638                         |
| Vehicle rental (Note 17A)                        | 675,484               | 29,966                | -                   | -                   | 705,450                      | 13,451                    | -                   | 13,451               | 718,901               | 854,573                         |
| Outside print and artwork                        | 12,971                | 10,566                | 190                 | -                   | 23,727                       | 9,890                     | 2,125               | 12,015               | 35,742                | 41,074                          |
| Staff travel and other                           | 123,700               | 243,705               | 386                 | 7,373               | 375,164                      | 39,046                    | 792                 | 39,838               | 415,002               | 550,050                         |
| Conferences and conventions                      | 65,599                | 103,927               | 3,729               | 2,276               | 175,531                      | 111,746                   | 218,690             | 330,436              | 505,967               | 492,031                         |
| Specific assistance                              | 16,437,618            | 1,461,364             | 11,129              | -                   | 17,910,111                   | 942                       | 1,376               | 2,318                | 17,912,429            | 25,148,678                      |
| Membership dues                                  | 87,285                | 14,892                | 150                 | -                   | 102,327                      | 20,400                    | -                   | 20,400               | 122,727               | 215,885                         |
| Repairs and maintenance                          | 1,712,208             | 188,801               | 10,022              | 10,166              | 1,921,197                    | 25,374                    | 345                 | 25,719               | 1,946,916             | 2,291,966                       |
| Interest (Note 2H)                               | 968,073               | 112,548               | -                   | -                   | 1,080,621                    | 755,830                   | -                   | 755,830              | 1,836,451             | 2,039,914                       |
| Medicaid facility tax assessment (Note 2I)       | 747,377               | -                     | -                   | -                   | 747,377                      | -                         | -                   | -                    | 747,377               | 895,773                         |
| General insurance                                | 1,793,762             | 954,704               | 39,374              | -                   | 2,787,840                    | 140,506                   | 10,528              | 151,034              | 2,938,874             | 3,193,101                       |
| Depreciation and amortization (Note 8)           | 3,153,389             | 1,129,229             | 213,336             | -                   | 4,495,954                    | 1,978,880                 | 4,170               | 1,983,050            | 6,479,004             | 6,625,246                       |
| Bad debt (Note 2D)                               | -                     | 1,298,826             | -                   | -                   | 1,298,826                    | -                         | -                   | -                    | 1,298,826             | 1,881,060                       |
| Miscellaneous                                    | 248,377               | 155,349               | 5,702               | 3,039               | 412,467                      | 373,890                   | 28,351              | 402,241              | 814,708               | 478,685                         |
|  | 118,818,187           | 87,292,732            | 3,211,930           | 1,224,299           | 210,547,148                  | 26,239,342                | 1,563,315           | 27,802,657           | 238,349,805           | 241,468,645                     |
| Less: Special event direct expenses              | -                     | -                     | -                   | -                   | -                            | -                         | (205,909)           | (205,909)            | (205,909)             | (366,669)                       |
| <b>TOTAL EXPENSES</b>                            | <b>\$ 118,818,187</b> | <b>\$ 87,292,732</b>  | <b>\$ 3,211,930</b> | <b>\$ 1,224,299</b> | <b>\$ 210,547,148</b>        | <b>\$ 26,239,342</b>      | <b>\$ 1,357,406</b> | <b>\$ 27,596,748</b> | <b>\$ 238,143,896</b> | <b>\$ 241,101,976</b>           |

The accompanying notes are an integral part of these consolidated financial statements.

**JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

|  | Program Services      |                       |                     |                   | Total<br>Program<br>Services | Supporting Services       |                     |                                 | Total<br>2019         |
|--|-----------------------|-----------------------|---------------------|-------------------|------------------------------|---------------------------|---------------------|---------------------------------|-----------------------|
|  | Residential           | Community<br>Services | Education           | Vocational        |                              | Management<br>and General | Fundraising         | Total<br>Supporting<br>Services |                       |
| Salaries   | \$ 54,332,362         | \$ 49,478,602         | \$ 1,510,933        | \$ 424,143        | \$ 105,746,040               | \$ 10,129,591             | \$ 781,749          | \$ 10,911,340                   | \$ 116,657,380        |
| Payroll taxes and benefits (Notes 13, 14 and 15) | 18,472,781            | 15,888,454            | 512,319             | 57,299            | 34,930,853                   | 4,168,460                 | 239,228             | 4,407,688                       | 39,338,541            |
| <b>Total Personnel Costs</b>                     | 72,805,143            | 65,367,056            | 2,023,252           | 481,442           | 140,676,893                  | 14,298,051                | 1,020,977           | 15,319,028                      | 155,995,921           |
| Consulting and professional fees                 | 4,719,192             | 4,652,696             | 571,880             | 2,000             | 9,945,768                    | 3,529,635                 | 24,969              | 3,554,604                       | 13,500,372            |
| Recruiting                                       | 137,121               | 193,502               | 368                 | -                 | 330,991                      | 233,472                   | 456                 | 233,928                         | 564,919               |
| Other contract services                          | 1,155,519             | 1,630,514             | 18,776              | 44,090            | 2,848,899                    | 1,507,702                 | 47,324              | 1,555,026                       | 4,403,925             |
| Supplies   | 2,059,942             | 433,752               | 30,184              | 52,961            | 2,576,839                    | 107,014                   | 7,352               | 114,366                         | 2,691,205             |
| Telephone  | 674,734               | 578,095               | 16,507              | 4,794             | 1,274,130                    | 61,836                    | 4,615               | 66,451                          | 1,340,581             |
| Postage and shipping                             | 15,910                | 15,831                | 326                 | 3,113             | 35,180                       | 22,074                    | 4,305               | 26,379                          | 61,559                |
| Occupancy (Note 17A)                             | 8,511,301             | 7,342,473             | 335,436             | 6,273             | 16,195,483                   | 1,564,922                 | 82,084              | 1,647,006                       | 17,842,489            |
| Equipment rental and other costs (Note 17A)      | 153,577               | 152,241               | 5,860               | -                 | 311,678                      | 45,656                    | 2,304               | 47,960                          | 359,638               |
| Vehicle rental (Note 17A)                        | 810,484               | 30,640                | -                   | -                 | 841,124                      | 13,449                    | -                   | 13,449                          | 854,573               |
| Outside print and artwork                        | 9,853                 | 15,879                | 1                   | -                 | 25,733                       | 12,992                    | 2,349               | 15,341                          | 41,074                |
| Staff travel and other                           | 158,486               | 332,699               | 548                 | 721               | 492,454                      | 55,684                    | 1,912               | 57,596                          | 550,050               |
| Conferences and conventions                      | 106,360               | 151,967               | 4,846               | 7,227             | 270,400                      | 107,487                   | 114,144             | 221,631                         | 492,031               |
| Specific assistance                              | 23,568,513            | 1,571,386             | 8,624               | -                 | 25,148,523                   | 150                       | 5                   | 155                             | 25,148,678            |
| Membership dues                                  | 134,932               | 47,898                | 1,247               | -                 | 184,077                      | 29,091                    | 2,717               | 31,808                          | 215,885               |
| Repairs and maintenance                          | 2,068,268             | 203,641               | 10,812              | 331               | 2,283,052                    | 8,661                     | 253                 | 8,914                           | 2,291,966             |
| Interest (Note 2H)                               | 1,120,236             | 141,403               | -                   | -                 | 1,261,639                    | 778,275                   | -                   | 778,275                         | 2,039,914             |
| Medicaid facility tax assessment (Note 2I)       | 895,773               | -                     | -                   | -                 | 895,773                      | -                         | -                   | -                               | 895,773               |
| General insurance                                | 1,955,470             | 1,028,743             | 43,933              | -                 | 3,028,146                    | 153,506                   | 11,449              | 164,955                         | 3,193,101             |
| Depreciation and amortization (Note 8)           | 3,136,966             | 1,183,887             | 214,743             | -                 | 4,535,596                    | 2,083,140                 | 6,510               | 2,089,650                       | 6,625,246             |
| Bad debt (Note 2D)                               | 10,297                | 1,870,763             | -                   | -                 | 1,881,060                    | -                         | -                   | -                               | 1,881,060             |
| Miscellaneous                                    | 137,001               | 85,743                | 1,309               | 9,597             | 233,650                      | 197,031                   | 48,004              | 245,035                         | 478,685               |
|  | 124,345,078           | 87,030,809            | 3,288,652           | 612,549           | 215,277,088                  | 24,809,828                | 1,381,729           | 26,191,557                      | 241,468,645           |
| Less: Special event direct expenses              | -                     | -                     | -                   | -                 | -                            | -                         | (366,669)           | (366,669)                       | (366,669)             |
| <b>TOTAL EXPENSES</b>                            | <u>\$ 124,345,078</u> | <u>\$ 87,030,809</u>  | <u>\$ 3,288,652</u> | <u>\$ 612,549</u> | <u>\$ 215,277,088</u>        | <u>\$ 24,809,828</u>      | <u>\$ 1,015,060</u> | <u>\$ 25,824,888</u>            | <u>\$ 241,101,976</u> |

The accompanying notes are an integral part of these consolidated financial statements.



**JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

|   | <b>2020</b>         | <b>2019</b>         |
|---|---------------------|---------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>  |                     |                     |
| Change in net assets  | \$ (13,964,787)     | \$ (16,423,807)     |
| Adjustments to reconcile change in net assets<br>to net cash used in operating activities |                     |                     |
| Depreciation and amortization   | 6,479,004           | 6,625,246           |
| Postretirement related changes other than net periodic pension costs                      | (234,812)           | 405,640             |
| Bad debt  | 1,298,826           | 1,881,060           |
| Non cash debt issuance interest expense   | 78,976              | 105,482             |
| Discount on pledge receivables  | (34,529)            | 18,632              |
| Change in value of split-interest agreements  | 5,424               | 10,562              |
| Goodwill from acquisition   | -                   | (37,547)            |
| Net realized and unrealized loss (gain) on investments                                    | 2,870,235           | (1,857,581)         |
| Subtotal  | 10,463,124          | 7,151,494           |
| Changes in operating assets and liabilities:  |                     |                     |
| (Increase) decrease in assets:  |                     |                     |
| Accounts receivable   | (10,504,261)        | (5,753,019)         |
| Contributions receivable  | (592,812)           | (591,610)           |
| Prepaid expenses and other assets   | 567,460             | (2,174,089)         |
| (Decrease) increase in liabilities:   |                     |                     |
| Accounts payable and accrued expenses   | (2,547,758)         | 2,962,928           |
| Accrued salaries and related benefits   | 1,269,394           | 1,594,580           |
| Accrued vacation  | 633,221             | 15,983              |
| Accrued postretirement benefits   | 428,278             | (62,346)            |
| Other pension liabilities   | 208,574             | 220,358             |
| Deferred rent   | (288,500)           | (265,376)           |
| Due to government agencies and deferred revenues  | (2,872,458)         | 2,105,546           |
| <b>Net cash used in operating activities</b>  | <b>(17,200,525)</b> | <b>(11,219,358)</b> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>  |                     |                     |
| Purchase of investments   | (10,396,824)        | (71,602,424)        |
| Proceeds from sales of investments  | 28,097,256          | 81,354,153          |
| Purchases of fixed assets   | (2,554,253)         | (2,836,824)         |
| <b>Net cash provided by investing activities</b>  | <b>15,146,179</b>   | <b>6,914,905</b>    |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>  |                     |                     |
| Repayment of bank lines of credit   | (40,000,000)        | (48,500,000)        |
| Proceeds from borrowings of bank lines of credit  | 41,000,000          | 58,000,000          |
| Repayments of IDA bonds payable   | (1,612,120)         | (1,072,118)         |
| Proceeds from loan payable  | 287,500             | -                   |
| Repayments of other long-term debt  | (4,497,894)         | (4,764,288)         |
| Proceeds from borrowings of other long-term debt  | 2,329,403           | 2,329,403           |
| <b>Net cash (used in) provided by financing activities</b>                                | <b>(2,493,111)</b>  | <b>5,992,997</b>    |
| <b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>                               | <b>(4,547,457)</b>  | <b>1,688,544</b>    |
| Cash and cash equivalents - beginning of year   | 7,425,575           | 5,737,031           |
| <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>  | <b>\$ 2,878,118</b> | <b>\$ 7,425,575</b> |
| <b>SUPPLEMENTAL CASH FLOW INFORMATION</b>   |                     |                     |
| Cash paid for interest  | \$ 1,757,475        | \$ 1,826,390        |

The accompanying notes are an integral part of these consolidated financial statements.

**JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

**NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES**

For more than 140 years, the Jewish Board of Family and Children's Services, Inc. ("The Jewish Board") has been helping New Yorkers realize their potential and live as independently as possible. The Jewish Board promotes resilience and recovery by addressing all aspects of an individual's life including behavioral and physical health, family, housing, employment and education. Across the five boroughs and in Westchester, The Jewish Board serves approximately 45,000 New Yorkers from all religious, ethnic and socioeconomic backgrounds each year in a variety of ways.

The Jewish Board provides a comprehensive array of behavioral health, family support, and developmental disabilities services. The Jewish Board's mental health clinics and satellites located in all five boroughs annually serve more than 10,000 New Yorkers struggling with a range of mental and behavioral health issues. The Jewish Board also provides community-based treatment and residential services to children and adults living with mental illness. The Jewish Board also provides domestic violence services to women and families via emergency and transitional shelters. The Jewish Board's Jewish community service programs, which serves Jews in need, offer counseling and support across a range of issues along the life cycle, from divorce and bereavement, to illness and addiction. The Jewish Board's renowned Martha K. Selig Institute trains The Jewish Board staff and outside social work practitioners to meet the highest standards of care and the most challenging needs of the New York City community.

The Jewish Board is a Section 501(c)(3) not-for-profit corporation exempt from federal income tax under Section 501(a) of the Internal Revenue Code ("IRC") and has been classified as a publicly supported charitable organization under Section 509(a)(1) of the IRC and qualifies for the maximum charitable contribution deduction by donors. The Jewish Board is also exempt from state and local taxes. The Jewish Board's revenues are earned primarily from Medicaid, New York State and New York City government sources for services provided, with additional support provided from philanthropy.

The Jewish Board also operates The Alpha Workshops (the "Subsidiary"), a New York State nonprofit that uses the decorative arts to educate and employ young people and adult with HIV/AIDS, disabilities, and other vulnerabilities. The Subsidiary is a Section 501(c)(3) not-for-profit corporation exempt from federal income tax under Section 501(a) of the IRC and has been classified as a publicly supported charitable organization under Section 509(a)(1) of the IRC and qualifies for the maximum charitable contribution deduction by donors. The Jewish Board and the Subsidiary entered into an Agreement, whereby The Jewish Board became the sole member effective January 1, 2019. The Jewish Board provides all administrative support services, and complete fiscal oversight of the Subsidiary's affairs.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. *Basis of Accounting and Consolidation*** – The consolidated financial statements have been prepared on the accrual basis of accounting. The Jewish Board adheres to accounting principles generally accepted in the United States of America ("U.S. GAAP"). The Jewish Board's accompanying consolidated financial statements include the activities and statements of functional expenses of The Jewish Board and the Subsidiary. The Jewish Board has consolidated the entity pursuant to U.S. GAAP due to its financial interest and control over the Subsidiary. All material intercompany transactions and balances have been eliminated upon consolidation. In accordance with ASU 2010-07 *Not-for-Profit Entities Mergers and Acquisitions*, the fair value of the assets over the liabilities acquired is reported as of June 30, 2019 as goodwill from acquisition and amounted to \$37,547.

**JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- B. Basis of Presentation** – The Jewish Board maintains its net assets under the following two classes:
- Without donor restrictions – This represents resources available for support of The Jewish Board's operations over which the Board of Trustees has discretionary control as well as investment in property and equipment.
  - With donor restrictions – This represents net assets resulting from contributions and other inflows of assets whose use by The Jewish Board is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled and removed by actions of The Jewish Board pursuant to those stipulations. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished or endowment earnings are appropriated for operations), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.
- C. Cash and Cash Equivalents** – The Jewish Board considers highly liquid debt instruments with maturities of three months or less, when acquired, to be cash and cash equivalents. Program participant funds included in the cash and cash equivalents amounted to approximately \$609,000 and \$272,000 as of June 30, 2020 and 2019. Such amounts are also included as a liability in the accompanying consolidated financial statements.
- D. Allowance for Uncollectible Receivables** – The Jewish Board determines whether an allowance for uncollectible receivables should be provided for accounts receivable and contributions receivable. Such estimate is based on management's assessment of the aged basis of its receivables, current economic conditions, creditworthiness of its donors, historical experience, and collections subsequent to year end. As of June 30, 2020 and 2019, The Jewish Board determined an allowance of \$1,196,027 and \$1,488,184 were necessary for accounts receivable and no allowance was necessary for contributions receivable.
- E. Contributions** – Contributions are accounted under Accounting Standards Update ("ASU") 2018-08. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.
- F. Investments and Fair Value Measurements** – Investments are stated at fair value. Alternative investments are stated at fair value as estimated by the investment managers or general partners. Values may be based on historical cost, appraisals, or other estimates that require varying degrees of judgment. Certain investments (see Note 6) are stated at Net Asset Value ("NAV") which approximates fair value. Fair value measurements are based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three levels, as described in Note 7.
- G. Property and Equipment** – Property and equipment is stated at cost less accumulated depreciation and amortization. These amounts do not purport to represent replacement or realizable values. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. Leasehold improvements are amortized over the lesser of the useful lives of the improvements or the term of the lease. Property and equipment is capitalized by The Jewish Board provided its cost is \$5,000 or more and its useful life is greater than one year.

**JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**H. *Split-Interest Agreements*** – The Jewish Board is the beneficiary of a number of split-interest agreements with donors. Under these agreements, The Jewish Board controls the donated assets and distributes to the donor or donor's designee income generated from those assets until such time as stated in the agreements (usually upon the death of the donor or donor's designee). At such time, The Jewish Board will be able to utilize the remaining assets. At the time of the gift, The Jewish Board records contribution revenue and a liability for amounts payable to third-interest-party beneficiaries using an actuarial calculation based on estimated mortality rates and other assumptions that could change in the near term. The liability is adjusted annually. The fair value of investments held under split-interest agreements as of June 30, 2020 and 2019 amounted to \$257,613 and \$256,703, and consisted of investments in money market funds and bond mutual funds. As of June 30, 2020 and 2019, the assets and liabilities associated with these agreements are included in prepaid expenses and other assets, and accounts payable and accrued expenses in the accompanying consolidated statements of financial position.

**I. *Government Support*** – The Jewish Board derives its revenue from, among other sources, cost reimbursement contracts and fees for service programs with federal, New York State, and New York City government agencies. The Jewish Board's Residential Treatment Center receives funding for its foster care services through foster care contracts principally entered into with New York City and various adjacent counties. The Jewish Board's Residential Treatment Facilities and Developmental Disabilities programs receive funding for their services through direct payments from governmental entities.

Revenues from evaluation and education services (early childhood programs) are principally cost-based. The revenues for such services are recorded at tuition rates established by governmental payors (principally the New York State Education Department and the New York City Department of Education). Program service fees are accounted for under Accounting Standards Codification Topic 606. Government grants are accounted for under ASU 2018-08. Multi-year governmental contracts included under government grants are cancellable by the funder upon its sole discretion. Conditional grant revenue in the coming years is expected to be consistent with the current year at approximately \$72,000,000 per year.

**J. *Donated Services*** – The Jewish Board receives certain contributed services that meet the criteria under U.S. GAAP for recognition as contributions and expense. Such services (primarily volunteer caseworkers and pro bono legal services) are recorded in the consolidated financial statements at fair value and amounted to \$837,191 and \$2,108,147 for the years ended June 30, 2020 and 2019, respectively. Other volunteers have donated time to The Jewish Board's programs and supporting services. No amounts have been reflected in the accompanying consolidated financial statements for those services as they do not meet the recognition criteria under U.S. GAAP.

**K. *Functional Allocation of Expenses*** – The cost of providing the various program and supporting services has been summarized on a functional basis in the consolidated statements of functional expenses. Accordingly, expenses that are not directly charged to programs and supporting services are allocated among programs and supporting services. The expenses that are allocated include occupancy and maintenance which is allocated on a square footage basis, as well as payroll taxes and benefits, which are allocated on the basis of estimates of time and effort.

**L. *Operating and Non-Operating Activities*** – The Jewish Board includes in its definition of operations all revenues and expenses that are an integral part of its programs and supporting activities, including all contributions except for endowments that are perpetual in nature. Investment income, including realized and unrealized gains and losses earned in excess of (or less than) the amount used for operations, forgiveness of debt and capital grants are recognized as non-operating activities.

**JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- M. *Deferred Rent*** – The Jewish Board leases real property under various operating leases. The leases include rent escalations. Since the rent increases over time, The Jewish Board records an adjustment to rent expense each year to reflect its straight-lining policy. Straight-lining of rent gives rise to a timing difference that is reflected as deferred rent in the accompanying consolidated statements of financial position.
- N. *Use of Estimates*** – The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

**NOTE 3 – LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the consolidated statements of financial position dates, include the following as of June 30:

|                                    | 2020           | 2019           |
|------------------------------------|----------------|----------------|
| Cash and cash equivalents          | \$ 2,878,118   | \$ 7,425,575   |
| Accounts receivable, net           | 45,297,903     | 36,092,468     |
| Contributions receivable, net      | 2,134,082      | 1,506,741      |
| Investments                        | 87,489,136     | 108,059,803    |
| Net assets with donor restrictions | (17,969,472)   | (20,317,775)   |
| Total financial assets             | \$ 119,829,767 | \$ 132,766,812 |

The Jewish Board has budgeted at breakeven which will allow expenses to be covered by income. In order to manage liquidity, The Jewish Board relies on collection of accounts receivable for general expenditures. As stated in Note 11, The Jewish Board has a line of credit available for short-term needs that is used for general expenditures when there are timing or collection issues of accounts receivable.

**NOTE 4 – ACCOUNTS RECEIVABLE**

Accounts receivable consisted of the following as of June 30:

|                                       | 2020          | 2019          |
|---------------------------------------|---------------|---------------|
| Due from the City of New York         | \$ 13,634,705 | \$ 11,441,790 |
| Due from the State of New York        | 22,736,927    | 15,983,930    |
| Due from other sources                | 10,122,298    | 10,154,932    |
|                                       | 46,493,930    | 37,580,652    |
| Less: allowance for doubtful accounts | (1,196,027)   | (1,488,184)   |
|                                       | \$ 45,297,903 | \$ 36,092,468 |

**NOTE 5 – CONTRIBUTIONS RECEIVABLE**

Contributions receivable are recorded net of a discount (at a risk adjusted rate) to reflect the present value of future cash flows and are scheduled to be collected as follows as of June 30:

|                                 | 2020         | 2019         |
|---------------------------------|--------------|--------------|
| One year or less                | \$ 587,500   | \$ 1,301,732 |
| One to five years               | 1,626,102    | 250,000      |
|                                 | 2,213,602    | 1,551,732    |
| Less: Discount to present value | (79,520)     | (44,991)     |
|                                 | \$ 2,134,082 | \$ 1,506,741 |

**JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

**NOTE 6 – INVESTMENTS**

Investments consist of the following as of June 30:

|                         | <u>2020</u>          | <u>2019</u>           |
|-------------------------|----------------------|-----------------------|
| Money market funds      | \$ 1,440,284         | \$ 2,127,658          |
| Equities                | 10,453,398           | 12,206,034            |
| Mutual funds            | 60,162,216           | 73,952,074            |
| Alternative investments | <u>15,433,238</u>    | <u>19,774,037</u>     |
|                         | <u>\$ 87,489,136</u> | <u>\$ 108,059,803</u> |

Alternative investments consist of the following:

Diversified inflation hedges – The fund's investment objective is to provide strong relative performance versus broad equity and fixed income markets during rising inflation environments.

Hedge funds – The fund invests primarily in offshore investment funds, investment partnerships and pooled investment vehicles. The investment in the fund is recorded at fair value based on financial data, which is generally at an amount equal to NAV per share or the fund's proportionate interest in the net assets.

Limited partnerships - Limited partnerships invest primarily in a collection of diversified hedge fund strategies from a variety of underlying managers. Investments consist of hedge funds and other funds focusing on long/short equity, relative value, credit, event driven opportunities, distressed investment and multi-strategy approaches.

The components and designation of investment activity is as follows for the years ended June 30:

|                                      | <u>2020</u>         | <u>2019</u>         |
|--------------------------------------|---------------------|---------------------|
| Realized (loss) gain                 | \$ (1,117,276)      | \$ 11,680,227       |
| Unrealized loss                      | <u>(1,752,959)</u>  | <u>(9,822,376)</u>  |
| Net realized and unrealized activity | (2,870,235)         | 1,857,851           |
| Interest and dividends               | 2,405,499           | 2,592,638           |
| Investment fees                      | <u>(457,491)</u>    | <u>(609,648)</u>    |
|                                      | <u>\$ (922,227)</u> | <u>\$ 3,840,841</u> |
| Designation:                         |                     |                     |
| Amount used for operations           | \$ 5,442,756        | \$ 4,555,536        |
| Amount considered non-operating      | <u>(6,364,983)</u>  | <u>(714,695)</u>    |
|                                      | <u>\$ (922,227)</u> | <u>\$ 3,840,841</u> |

The current spending policy of The Jewish Board is discretionary and approved by the Board through the annual budget approval process.

Investments generally are exposed to various risks, such as interest rate, credit, and overall market volatility. As such, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the accompanying consolidated financial statements.

**JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

**NOTE 7 – FAIR VALUE MEASUREMENTS**

In determining fair value, The Jewish Board utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible in its assessment of fair value.

The fair value hierarchy defines 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 with observable market data.

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

Investments in equity securities and mutual funds (except included under Level 2) are valued using market prices in active markets (Level 1). Level 1 instrument valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets. See Note 2F for the valuation on alternative investments.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the end of the reporting period. For the years ended June 30, 2020 and 2019, there were no transfers in or out of levels.

Financial assets carried at fair value as of June 30, 2020 are classified in the table as follows:

|  | <u>Level 1</u>       | <u>Level 2</u>      | <u>Total</u>         |
|--|----------------------|---------------------|----------------------|
| Money market funds                       | \$ 1,440,284         | \$ -                | \$ 1,440,284         |
| Equities:                                |                      |                     |                      |
| Domestic                                 | 10,453,398           | -                   | 10,453,398           |
| Mutual funds:                            |                      |                     |                      |
| Domestic                                 | 30,959,539           | -                   | 30,959,539           |
| International                            | 7,367,366            | 9,669,195           | 17,036,561           |
| Corporate bonds                          | <u>12,166,116</u>    | <u>-</u>            | <u>12,166,116</u>    |
|  | <u>\$ 62,386,703</u> | <u>\$ 9,669,195</u> | <u>72,055,898</u>    |
| Assets using NAV as practical expedient: |                      |                     |                      |
| Diversified inflation hedges             |                      |                     | 9,842,930            |
| Hedge funds                              |                      |                     | 5,394,691            |
| Limited partnerships                     |                      |                     | <u>195,617</u>       |
|  |                      |                     | <u>\$ 87,489,136</u> |

**JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

**NOTE 7 – FAIR VALUE MEASUREMENTS (Continued)**

Financial assets carried at fair value as of June 30, 2019 are classified in the table as follows:

|  | <u>Level 1</u>       | <u>Level 2</u>       | <u>Total</u>          |
|--|----------------------|----------------------|-----------------------|
| Money market funds                       | \$ 2,127,658         | \$ -                 | \$ 2,127,658          |
| Equities:                                |                      |                      |                       |
| Domestic                                 | 11,456,660           | -                    | 11,456,660            |
| International                            | 749,374              | -                    | 749,374               |
| Mutual funds:                            |                      |                      |                       |
| Domestic                                 | 36,542,032           | -                    | 36,542,032            |
| International                            | 7,947,571            | 12,508,407           | 20,455,978            |
| Corporate bonds                          | 11,652,585           | -                    | 11,652,585            |
| Global multi-asset                       | <u>5,301,479</u>     | <u>-</u>             | <u>5,301,479</u>      |
|  | <u>\$ 75,777,359</u> | <u>\$ 12,508,407</u> | <u>88,285,766</u>     |
| Assets using NAV as practical expedient: |                      |                      |                       |
| Diversified inflation hedges             |                      |                      | 4,594,674             |
| Hedge funds                              |                      |                      | 5,399,227             |
| Limited partnerships                     |                      |                      | <u>9,780,136</u>      |
|  |                      |                      | <u>\$ 108,059,803</u> |

The following investments are valued at NAV, which equals fair value as of June 30:

|                             | <u>2020</u>          | <u>2019</u>          | <u>Unfunded</u><br><u>Commitments</u> | <u>Redemption</u><br><u>Frequency</u> | <u>Redemption</u><br><u>Notice Period</u> |
|-----------------------------|----------------------|----------------------|---------------------------------------|---------------------------------------|---|
| Diversified inflation funds | \$ 9,842,930         | \$ 4,594,674         | None                                  | Immediately                           | 10 days                                   |
| Hedge funds                 | 5,394,691            | 5,399,227            | None                                  | Immediately                           | 10-90 days                                |
| Limited partnerships        | <u>195,617</u>       | <u>9,780,136</u>     | None                                  | Immediately                           | 90 days                                   |
|                             | <u>\$ 15,433,238</u> | <u>\$ 19,774,037</u> |                                       |                                       |   |

**NOTE 8 – PROPERTY AND EQUIPMENT**

Property and equipment consists of the following as of June 30:

|  | <u>2020</u>          | <u>2019</u>          | <u>Estimated</u><br><u>Useful Lives</u> |
|--|----------------------|----------------------|---|
| Land   | \$ 17,512,605        | \$ 17,512,605        |   |
| Building and building improvements             | 98,348,587           | 97,544,845           | 15-50 years                             |
| Leasehold improvements                         | 5,513,244            | 5,513,244            | 5-40 years                              |
| Furniture and equipment                        | 33,606,142           | 32,169,217           | 3-10 years                              |
| Construction in progress (see below)           | <u>1,402,228</u>     | <u>1,432,918</u>     |   |
|  | 156,382,806          | 154,172,829          |   |
| Less accumulated depreciation and amortization | <u>(92,680,526)</u>  | <u>(86,545,798)</u>  |   |
|  | <u>\$ 63,702,280</u> | <u>\$ 67,627,031</u> |   |

Depreciation and amortization expense amounted to \$6,479,004 and \$6,625,246 for the years ended June 30, 2020 and 2019, respectively. During the year ended June 30, 2020, \$344,276 of fully depreciated equipment was written off.

Construction in progress consists of renovations at various facilities with an estimated cost of completion of approximately \$4,500,000 as of June 30, 2020. The projects are expected to be completed in the upcoming fiscal year.



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**NOTE 9 – IDA BONDS PAYABLE**

In August 2000, Civic Facility Revenue Bonds (the "2000 Bonds"), aggregating \$15,820,000, were issued by the New York City Industrial Development Agency ("IDA"). All of The Jewish Board's rights, title, and interest in various premises leased by The Jewish Board were assigned to the IDA. Further, The Jewish Board immediately leased back these facilities at a rate and term equivalent to the debt service requirements of the 2000 Bonds. The IDA is prohibited from selling the facilities without the explicit consent of The Jewish Board. All the facilities will be returned to The Jewish Board on December 15, 2025, or at such time that the bond obligations have been fully satisfied.

The proceeds from the 2000 Bonds, net of issuance costs, were deposited into a project fund (the "Project Fund") for the purpose of financing or refinancing the acquisition, reconstruction, renovation and equipping of the Mishkon Facility, the Intermediate Care Facility, the Individualized Residential Alternative Facilities, the Flagship Building, the Geller House, the Kaplan House, the J.W. Beatman Center, the Ittleson Center and the headquarters of The Jewish Board.

The Jewish Board has guaranteed the payment of principal or redemption price and interest on the 2000 Bonds and has granted to the trustee (Bank of America) of the 2000 Bonds a security interest in their total operating revenues. Pursuant to the 2000 Bond Agreement, the bond trustee for the 2000 Bonds entered into an inter-creditor agreement. In the event that there are insufficient total operating revenues to meet the payment obligations with respect to the 2000 Bonds, the bond trustee will receive a pro rata portion of the total operating revenues available. The 2000 Bonds are also secured by a bank letter of credit, for which no amounts are outstanding. The Jewish Board pays an annual fee of 1.3% (approximately \$150,000) of the total outstanding bonds to maintain the letter of credit.

Interest payments on the bonds are based on a variable interest rate, which amounted to 1% as of both June 30, 2020 and 2019.

The 2000 Bonds require The Jewish Board to maintain certain financial covenants. As of June 30, 2020, The Jewish Board was not in compliance with all applicable covenants, however a waiver was issued by the bank. As of June 30, 2019, The Jewish Board was in compliance with all applicable covenants.

The Jewish Board redeemed \$1,480,000 of these obligations in connection with the sale of its headquarters building in 2009. The remaining balance of the 2000 Bonds is subject to redemption by the IDA prior to maturity from mandatory Sinking Fund Installments on July 1 of the years and in the principal amounts set forth below:

|                           |                     |
|---------------------------|---------------------|
| 2020-2021                 | \$ 1,255,000        |
| 2021-2022                 | 1,320,000           |
| 2022-2023                 | 1,385,000           |
| 2023-2024                 | 1,450,000           |
| 2024-2025                 | 1,525,000           |
| Thereafter                | <u>1,115,000</u>    |
| Subtotal                  | 8,050,000           |
| Less: debt issuance costs | <u>(404,030)</u>    |
|                           | <u>\$ 7,645,970</u> |

**NOTE 10 – OTHER LONG-TERM DEBT**

The following are various mortgages and a note secured by the applicable underlying properties or as otherwise noted. Since payments on these long-term loans are generally flow-through amounts under funding contracts with the applicable state organization, the interest rates disclosed are not indicative of an out-of-pocket debt service obligation.

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**NOTE 10 – OTHER LONG-TERM DEBT (Continued)**

| <u>Description</u>  | <u>2020</u>          | <u>2019</u>          | <u>Due Date</u> |
|---|----------------------|----------------------|-----------------|
| Mortgage payable to the Dormitory Authority of the State of New York ("DASNY") in semi-annual installments of \$120,000. The interest rate is 5.32%. <b>(a)</b> | \$ 57,109            | \$ 76,500            | 2020            |
| Mortgage payable to DASNY in semi-annual installments of \$174,574. The interest rate is 7.5%. <b>(a)</b>   | 168,265              | 486,775              | 2020            |
| Note payable to a bank in monthly installments of \$23,065. The interest rate is 3.89%. <b>(b)</b>  | 230,639              | 530,484              | 2021            |
| Mortgage payable to DASNY in semi-annual installments of \$187,894. The interest rate is 5.88%. <b>(a)</b>  | 699,397              | 1,019,831            | 2022            |
| Mortgage payable to DASNY in semi-annual installments of \$138,933. The interest rate is 7.15%. <b>(a)</b>  | 847,151              | 1,053,331            | 2023            |
| Mortgage payable to DASNY in semi-annual installments of \$259,630. The interest rate is 4.95%. <b>(a)</b>  | 1,646,335            | 2,068,369            | 2023            |
| Mortgage payable to a bank monthly installments of \$7,553. The interest rate is 4.46%. <b>(b)</b>  | 683,967              | 743,441              | 2029            |
| Mortgage payable to DASNY in semi-annual installments of \$213,755. The interest rate is 4.95%. <b>(a)</b>  | 3,715,432            | 3,950,410            | 2031            |
| Mortgage payable to DASNY in semi-annual installments of \$37,235. The interest rate is 5.05%. <b>(a)</b>   | 643,814              | 684,266              | 2031            |
| Mortgage payable to DASNY in semi-annual installments of \$60,350. The interest rate is 5.01%. <b>(a)</b>   | 1,111,492            | 1,174,179            | 2032            |
| Mortgage payable to a bank monthly installments of \$10,049. The interest rate is 5.77%. <b>(b)</b>   | 1,524,329            | 1,554,997            | 2033            |
| Mortgage payable to DASNY in semi-annual installments of \$98,540. The interest rate is 4.02%. <b>(a)</b>   | 2,149,252            | 2,256,619            | 2034            |
| State aid grant payable to DASNY in monthly installments of \$425. No interest is imputed. <b>(a)</b>   | <u>101,933</u>       | <u>107,030</u>       | 2040            |
|   | 13,579,115           | 15,706,232           |                 |
| Less: debt issuance costs:  | <u>(206,628)</u>     | <u>(244,230)</u>     |                 |
|   | <u>\$ 13,372,487</u> | <u>\$ 15,462,002</u> |                 |

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**NOTE 10 – OTHER LONG-TERM DEBT (Continued)**

- (a) Non-recourse long-term debt secured by the property.
- (b) Pursuant to the credit agreement, The Jewish Board is required to maintain certain financial covenants. As of June 30, 2020, The Jewish Board was not in compliance with all applicable covenants, however a waiver was issued by the bank. As of June 30, 2019, The Jewish Board was in compliance with all applicable covenants.

Required future annual principal payments are payable as follows for each of the five years ending after June 30, 2020 and thereafter:

|            |    |                   |
|------------|----|-------------------|
| 2021       | \$ | 1,992,404         |
| 2022       |    | 1,656,220         |
| 2023       |    | 1,365,529         |
| 2024       |    | 1,042,369         |
| 2025       |    | 688,352           |
| Thereafter |    | <u>6,834,241</u>  |
|            | \$ | <u>13,579,115</u> |

**NOTE 11 – BANK LINES OF CREDIT**

Bank lines of credit consist of the following as of June 30:

|  | <u>2020</u>          | <u>2019</u>          | <u>Expiration</u> |
|--|----------------------|----------------------|-------------------|
| Unsecured line of credit amounting to \$31,000,000 with TD Bank. The interest rate is 1.5% above the LIBOR 30-day rate.  | \$23,000,000         | \$ 20,000,000        | 2021              |
| Unsecured line of credit amounting to \$15,000,000 with Bank of America. The interest rate is 1.5% above the LIBOR 30-day rate. The unused portion carries a .05% interest rate. | <u>4,000,000</u>     | <u>6,000,000</u>     | 2021              |
|  | <u>\$ 27,000,000</u> | <u>\$ 26,000,000</u> |                   |

There are certain financial covenants associated with the bank lines of credit. As of June 30, 2020 and 2019, The Jewish Board was not in compliance with those covenants, however waivers were issued by the banks.

**NOTE 12 – LOAN PAYABLE**

On March 27, 2020, in response to COVID-19, the federal government passed the Coronavirus Aid, Relief, and Economic Stability Act ("CARES Act"). Among many other provisions, to help businesses retain employees, the CARES Act provides relief to qualifying businesses through a program called the Paycheck Protection Program ("PPP"). Participating in the PPP enables the business to obtain a loan from the Small Business Administration ("SBA") sector of the government. If the proceeds from the loan are used for specified purposes, some or all of the loan can be forgiven.

Alpha Workshops applied for this loan through a Small Business Administration ("SBA") authorized lender. The loan, amounting to \$287,500, was approved and received in May 2020. Alpha Workshops has opted to account for the proceeds as a loan under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 470 Debt, until the loan is, in part or wholly, forgiven and Alpha has been "legally released".

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**NOTE 13 – ACCRUED POSTRETIREMENT BENEFITS**

The Jewish Board maintains an accrued postretirement benefit plan for its employees who have attained age 45 and were employed prior to January 1, 2013.

The unfunded status is as follows as of June 30:

| Change in benefit obligation:               | <u>2020</u>          | <u>2019</u>          |
|---|----------------------|----------------------|
| Benefit obligation at beginning of the year | \$ 10,263,633        | \$ 9,920,339         |
| Service cost                                | 146,852              | 157,461              |
| Interest cost                               | 323,806              | 384,885              |
| Actuarial gain                              | 181,811              | 317,148              |
| Benefits paid                               | <u>(459,003)</u>     | <u>(516,200)</u>     |
| Benefit obligation at end of the year       | 10,457,099           | 10,263,633           |
| Fair value of plan assets                   | <u>-</u>             | <u>-</u>             |
| Unfunded status                             | <u>\$ 10,457,099</u> | <u>\$ 10,263,633</u> |

The components of net periodic benefit cost are as follows for the years ended June 30:

|                                | <u>2020</u>       | <u>2019</u>       |
|--------------------------------|-------------------|-------------------|
| Service cost                   | \$ 146,852        | \$ 157,461        |
| Interest cost                  | 323,806           | 384,885           |
| Amortization of actuarial gain | <u>(76,749)</u>   | <u>(110,742)</u>  |
| Net periodic cost              | <u>\$ 393,909</u> | <u>\$ 431,604</u> |

As of June 30, 2020 and 2019, the amounts recognized in net assets without donor restrictions were cumulative actuarial losses of \$234,812 and \$405,640, respectively.

The weighted assumptions used as of and for the years ended June 30 are as follows:

| Benefit Obligation:            | <u>2020</u> | <u>2019</u> |
|--------------------------------|-------------|-------------|
| Discount rate                  | 3.29%       | 3.29%       |
| Expected return on plan assets | N/A         | N/A         |
| Rate of compensation increase  | N/A         | N/A         |
| Net periodic pension cost:     |             |             |
| Discount rate                  | 2.39%       | 4.05%       |
| Expected return on plan assets | N/A         | N/A         |
| Rate of compensation increase  | N/A         | N/A         |

The projected future benefit payments are approximately as follows as of June 30:

|            |                     |
|------------|---------------------|
| 2021       | \$ 631,000          |
| 2022       | 644,000             |
| 2023       | 658,000             |
| 2024       | 660,000             |
| 2025       | 653,000             |
| Thereafter | <u>3,086,000</u>    |
|            | <u>\$ 6,332,000</u> |

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**NOTE 13 – ACCRUED POSTRETIREMENT BENEFITS (Continued)**

To illustrate the impact of the health care cost trend for the postretirement plan, increasing the assumed medical care cost trend rates by 1% in each year would increase the accumulated postretirement benefit obligation by \$46,064 as of June 30, 2020, and the aggregate of the service and interest cost components of net periodic postretirement benefit cost for the year then ended by \$1,739. Decreasing the assumed health care cost trend rates by 1% would decrease the accumulated postretirement benefit obligation by \$42,225 as of June 30, 2020, and the aggregate of the service and interest cost components of net periodic postretirement benefit cost for the year then ended by \$1,592.

**NOTE 14 – 403(b) PENSION PLAN AND OTHER**

- A. 403(b) Plan – The Jewish Board offers a 403(b) retirement plan covering all employees. All employees can make salary reduction contributions. The Jewish Board does not make any contributions to the plan.
- B. The Jewish Board maintains a Supplementary Executive Retirement Plan (“SERP”) under IRC Sections 457(b) and 457(f) for certain employees. The Jewish Board contributed approximately \$185,000 and \$181,000 for the years ended June 30, 2020 and 2019 to the SERP, respectively. The fair value of the plans' assets and resulting liabilities aggregated to approximately \$2,900,000 and \$2,700,000, as of June 30, 2020 and 2019, respectively. Plan assets are included in prepaid expenses and other assets and the related liability is included in other pension liabilities in the accompanying consolidated statements of financial position.

**NOTE 15 – MULTIEMPLOYER PENSION PLAN**

The UJA-Federation and The Jewish Board participate in a multiemployer defined benefit pension plan covering eligible union and non-union employees of these entities as well as eligible employees of participating affiliated agencies of UJA-Federation. The name of the plan is the Retirement Plan for Employees of the United Jewish Appeal-Federation of Jewish Philanthropies of New York, Inc. and Affiliated Agencies and Institutions (the “Plan”). The Plan is filed under the Employer Identification Number 51-0172429 and the three-digit pension plan Number 333.

The Plan follows the single employer funding requirements and is not required to file an annual zone certification under the Pension Protection Act of 2006 (“PPA”) and disclosures concerning a financial improvement plan or a rehabilitation plan are not applicable. The Plan is at least 80% funded using the most recent financial information as of October 1, 2016, the beginning of the Plan year. All employees with a minimum of 1,000 hours worked in a year are eligible to participate. The Jewish Board's share of the retirement plan expense amounted to approximately \$5,572,000 and \$5,451,000 for the years ended June 30, 2020 and 2019, respectively.

**NOTE 16 – NET ASSETS WITH DONOR RESTRICTIONS**

Endowment funds consist of funds with donor restrictions. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor imposed restrictions.

The Board of Trustees of The Jewish Board has adopted the New York Prudent Management of Institutional Funds Act (“NYPMIFA”). NYPMIFA moved away from the “historical dollar value” standard and permits charities to apply a spending policy to endowments based on certain specified standards of prudence. In accordance with NYPMIFA, The Jewish Board classifies as net assets with donor restrictions, (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund is classified as donor-restricted net assets until those amounts are appropriated for expenditure by the Board of Trustees in a manner consistent with the standard of prudence prescribed by NYPMIFA. The Jewish Board recognizes that NYPMIFA creates a rebuttable presumption of imprudence if it appropriates more than 7% of a donor-restricted perpetual endowment fund's fair value (averaged over a period of not less than the preceding five years) in any year.

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**NOTE 16 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)**

The Jewish Board's investments include the restricted endowment that must be held in perpetuity. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets with a moderate level of risk. To satisfy the long-term rate-of-return objective, The Jewish Board relies on a total return strategy in which investment returns are achieved both through capital appreciation and current yield. The Jewish Board employs a diversified asset allocation to achieve consistency of returns and to minimize risk. Interest earned in relation to the endowment funds is recorded as net assets without donor restriction, since it is appropriated and spent in the year it is earned.

Investments to be held in perpetuity amounted to \$6,565,209 as of June 30, 2020 and 2019. The income generated is expendable to support the general operating activities of The Jewish Board once appropriated.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the value of the initial and subsequent donor gift amounts. Such situations are commonly referred to as being "underwater." When an underwater endowment fund exists, it is classified as a reduction of net assets with donor restrictions. As of June 30, 2020 and 2019, the endowment funds were not underwater.

The change in endowment net assets for the year ended June 30, 2020 is as follows:

|                                       | <u>With Donor<br/>Restriction</u> | <u>Perpetual<br/>in Nature</u> | <u>Total</u>        |
|---------------------------------------|-----------------------------------|--------------------------------|---------------------|
| Investment activity gain              | \$ 110,015                        | \$ -                           | \$ 110,015          |
| Appropriated by the Board of Trustees | <u>(110,015)</u>                  | <u>-</u>                       | <u>(110,015)</u>    |
| Net change                            | -                                 | -                              | -                   |
| Balance, beginning of year            | <u>866,966</u>                    | <u>6,565,209</u>               | <u>7,432,175</u>    |
| Balance, end of year                  | <u>\$ 866,966</u>                 | <u>\$ 6,565,209</u>            | <u>\$ 7,432,175</u> |

The change in endowment net assets for the year ended June 30, 2019 is as follows:

|                                       | <u>With Donor<br/>Restriction</u> | <u>Perpetual<br/>in Nature</u> | <u>Total</u>        |
|---------------------------------------|-----------------------------------|--------------------------------|---------------------|
| Investment activity gain              | \$ 279,611                        | \$ -                           | \$ 279,611          |
| Appropriated by the Board of Trustees | <u>(250,958)</u>                  | <u>-</u>                       | <u>(250,958)</u>    |
| Net change                            | 28,653                            | -                              | 28,653              |
| Balance, beginning of year            | <u>838,313</u>                    | <u>6,565,209</u>               | <u>7,403,522</u>    |
| Balance, end of year                  | <u>\$ 866,966</u>                 | <u>\$ 6,565,209</u>            | <u>\$ 7,432,175</u> |

Net assets with donor restrictions included the following as of June 30:

|   | <u>2020</u>          | <u>2019</u>          |
|---|----------------------|----------------------|
| Endowment fund – perpetual in nature                          | \$ 6,565,209         | \$ 6,565,209         |
| Educational services for children (including time restricted) | 7,070,960            | 8,302,030            |
| Residential   | 2,352,527            | 2,761,452            |
| Community services  | 1,065,822            | 1,771,316            |
| Unappropriated earnings on endowment funds                    | 866,966              | 866,966              |
| Other   | <u>47,988</u>        | <u>50,802</u>        |
|   | <u>\$ 17,969,472</u> | <u>\$ 20,317,775</u> |

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**NOTE 16 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)**

Net assets were released from donor restrictions by incurring expenses satisfying the following restricted purposes for the years ended June 30:

|                    | <u>2020</u>         | <u>2019</u>         |
|--------------------|---------------------|---------------------|
| Residential        | \$ 413,127          | \$ 469,435          |
| Community services | 723,008             | 617,260             |
| Education          | 1,231,070           | 797,871             |
| Other              | 3,088               | 39,847              |
|                    | <u>\$ 2,370,293</u> | <u>\$ 1,924,413</u> |

**NOTE 17 – COMMITMENTS AND CONTINGENCIES**

A. The Jewish Board has a number of operating lease agreements. For the year ended June 30, 2020, annual minimum rentals payable for real and personal property, principally under long-term operating leases expiring at varying dates through 2029, are as follows:

|            | <u>Real Property</u> | <u>Vehicles and<br/>Equipment</u> | <u>Total</u>         |
|------------|----------------------|-----------------------------------|----------------------|
| 2021       | \$ 17,182,073        | \$ 537,231                        | \$ 17,719,304        |
| 2022       | 9,840,423            | 361,015                           | 10,201,438           |
| 2023       | 5,441,550            | 36,643                            | 5,478,193            |
| 2024       | 4,394,498            | 2,397                             | 4,396,895            |
| 2025       | 3,853,127            | -                                 | 3,853,127            |
| Thereafter | <u>8,475,017</u>     | <u>-</u>                          | <u>8,475,017</u>     |
|            | <u>\$ 49,186,688</u> | <u>\$ 937,286</u>                 | <u>\$ 50,123,974</u> |

Rent expense amounted to the following for the years ended June 30:

|                        | <u>2020</u>          | <u>2019</u>          |
|------------------------|----------------------|----------------------|
| Real property          | \$ 23,969,525        | \$ 23,304,311        |
| Vehicles and equipment | <u>691,036</u>       | <u>781,305</u>       |
|                        | <u>\$ 24,660,561</u> | <u>\$ 24,085,616</u> |

B. The Jewish Board is subject to legal proceedings and claims which have arisen in the ordinary course of its business and which have not been fully adjudicated. Management does not believe there will be a material adverse effect upon the financial position of The Jewish Board.

C. The Jewish Board receives a significant portion of its revenue for services provided from third-party government reimbursement agencies. These revenues are based on predetermined rates based on cost reimbursement principles and are subject to audit and retroactive adjustment by the government. The Jewish Board, when appropriate, records an estimated liability to funding sources for excess reimbursement over allowable costs and underspending of interim rates.

The Jewish Board receives certain funding for its programs in the form of operational grants, which usually pertain to a period of one year or longer. This support is restricted to operations within the terms of the grants and, accordingly, recognition of grant support is deferred until qualifying expenditures are incurred. Any excess of grant support over expenses incurred is recorded as due to government agencies and deferred revenues, in the accompanying consolidated statements of financial position.

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**NOTE 17 – COMMITMENTS AND CONTINGENCIES (Continued)**

- D. The Jewish Board believes it has no uncertain tax positions as of June 30, 2020 and 2019 in accordance with ASC Topic 740, "Income Taxes," which provides standards for establishing and classifying any tax provisions for uncertain tax positions.
- E. The COVID-19 pandemic remains a rapidly evolving situation. The extent of the impact of COVID-19 on The Jewish Board's business and financial results will depend on future developments, including the duration and spread of the outbreak and governments response to it, all of which are highly uncertain. To date, the pandemic has led mainly to increased unfunded costs and some loss of revenue due to temporary census declines related to the pandemic. It continues to monitor evolving economic and general business conditions and the actual and potential impacts on its financial position and results.

**NOTE 18 – CONCENTRATIONS**

- A. Cash and cash equivalents that potentially subject The Jewish Board to a concentration of credit risk include cash accounts that exceed the Federal Deposit Insurance Corporation ("FDIC") insurance limits. Cash accounts are insured up to \$250,000 per depositor. As of June 30, 2020 and 2019, there was approximately \$3.8 million and \$7.8 million, respectively, of cash and cash equivalents held by three and two banks, respectively, that exceeded FDIC limits.
- B. Certain full-time employees of The Jewish Board are covered by collective bargaining agreements as of June 30, 2020 and 2019. These agreements stipulate wage levels and differentials, participation in group benefits, multi-employer pension plans and certain agreements with regard to paid time off and leave policies, work hours and schedules, personnel policies and discipline. As of both June 30, 2020 and 2019, The Jewish Board estimated approximately 47% of its employees are covered under collective bargaining agreements.

**NOTE 19 – REVENUE FROM CONTRACTS WITH CUSTOMERS**

**Service Contracts** - The Jewish Board receives revenue from contracts with various government agencies, including the New York State Office of Mental Health (OMH), New York State Office for People with Developmental Disabilities (OPWDD) and the New York State Department of Health (DOH) to provide support and services to individuals and family members of individuals with behavioral health, family support, and developmental disabilities services. Revenue is reported at the amount that reflects the consideration to which The Jewish Board expects to be entitled in exchange for providing the contracted services. These amounts are due from the government agencies, third-party payors (including government programs), individuals (including Supplemental Security Income (SSI) benefits) and others and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews and investigations.

Generally, The Jewish Board bills government agencies, third-party payors and individuals after the services are performed or has completed their portion of the contract. Receivables are due in full when billed and revenue is recognized as performance obligations are satisfied.

**Performance Obligation** - Performance obligations are determined based on the nature of the services provided by The Jewish Board in accordance with the contract. Revenue for performance obligations satisfied over time is recognized as the services are provided. This method depicts the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. The Jewish Board measures the performance obligation from the beginning of the next month or day to the point when it is no longer required to provide services under the contract or has met the requirements to bill for the services provided, which is generally at the end of each month or period of time allowed based on the government agencies' stipulations.



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**NOTE 19 – REVENUE FROM CONTRACTS WITH CUSTOMERS (Continued)**

All performance obligations relate to contracts with a duration of less than one year, therefore, there are no performance obligations or contract balances that are unsatisfied as of June 30, 2020 and 2019. The performance obligations for these contracts are completed when the service is completed and upon submission of required documentation. The Jewish Board determines the transaction price based on established rates and contracts for services provided.

Program service fees consist of revenues for the following programs:

|                          | <u>2020</u>           | <u>2019</u>           |
|--------------------------|-----------------------|-----------------------|
| Residential              | \$ 78,853,331         | \$ 75,687,487         |
| Clinic                   | 35,352,651            | 36,558,541            |
| Case Management          | 9,214,350             | 7,290,004             |
| Community Based Services | 5,060,785             | 4,881,011             |
| Early Childhood          | 4,042,603             | 3,912,229             |
| Other                    | <u>2,219,647</u>      | <u>367,137</u>        |
|                          | <u>\$ 134,743,367</u> | <u>\$ 128,696,409</u> |

**NOTE 20 – MEDICAL SELF-INSURANCE**

The Jewish Board maintains a self-funded, comprehensive medical care benefits program. The accrued liability for the self-insured components of the program includes an estimate of the incurred but not yet reported claims expense. The accrual is estimated based on consideration of prior claims experience, recently settled claims, frequency of claims, and other economic factors. The liability is included in accrued salaries and related benefits on the consolidated statements of financial position.

All of The Jewish Board employees and their dependents are eligible to participate in the program. The Jewish Board is self-insured for health claims of participants up to an annual aggregate amount of \$200,000 per covered participant. Commercial stop-loss insurance coverage is purchased for claims in excess of the annual aggregate amount. The cost of medical care is paid out of employee and employer contributions and is held in a separate bank account. The agency has contracted with United Health Care, a third-party administrator, to provide administrative services for this health care benefits program. Activity of the accrued employee health claims as of June 30, 2020 and 2019 is below:

|                            | <u>2020</u>         | <u>2019</u>         |
|----------------------------|---------------------|---------------------|
| Balance, beginning of year | \$ 1,498,794        | \$ -                |
| Claim estimate             | 20,185,236          | 10,817,230          |
| Claims and expenses paid   | <u>(21,341,438)</u> | <u>(9,318,436)</u>  |
| Balance, end of year       | <u>\$ 342,592</u>   | <u>\$ 1,498,794</u> |

**NOTE 21 – SUBSEQUENT EVENTS**

Management has evaluated for potential recognition and disclosure, events subsequent to the date of the consolidated statement of financial position through December 14, 2020, the date the consolidated financial statements were issued.

**JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC. AND SUBSIDIARY**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2020**

| <b>ASSETS</b>  | <b>The Jewish<br/>Board</b>  | <b>The Alpha<br/>Workshops</b> | <b>Elimination<br/>Entries</b> | <b>Consolidated<br/>Total</b> |
|--|------------------------------|--------------------------------|--------------------------------|-------------------------------|
| Cash and cash equivalents                            | \$ 2,772,767                 | \$ 105,351                     | \$ -                           | \$ 2,878,118                  |
| Accounts receivable, net                             | 45,209,349                   | 88,554                         | -                              | 45,297,903                    |
| Due from related entity                              | 1,375,709                    | -                              | (1,375,709)                    | -                             |
| Contributions receivable, net                        | 2,134,082                    | -                              | -                              | 2,134,082                     |
| Investments, including supplementary retirement plan | 87,489,136                   | -                              | -                              | 87,489,136                    |
| Prepaid expenses and other assets                    | 6,402,235                    | 82,596                         | -                              | 6,484,831                     |
| Property and equipment, net                          | <u>63,584,369</u>            | <u>117,911</u>                 | <u>-</u>                       | <u>63,702,280</u>             |
| <b>TOTAL ASSETS</b>                                  | <b><u>\$ 208,967,647</u></b> | <b><u>\$ 394,412</u></b>       | <b><u>\$ (1,375,709)</u></b>   | <b><u>\$ 207,986,350</u></b>  |
| <b>LIABILITIES</b>                                   |                              |                                |                                |                               |
| Accounts payable and accrued expenses                | \$ 5,721,621                 | \$ 39,899                      | \$ -                           | \$ 5,761,520                  |
| Due to related entity                                | -                            | 1,375,709                      | (1,375,709)                    | -                             |
| Accrued salaries and related benefits                | 6,947,480                    | 90,119                         | -                              | 7,037,599                     |
| Accrued vacation                                     | 6,130,787                    | -                              | -                              | 6,130,787                     |
| Accrued postretirement benefits                      | 10,457,099                   | -                              | -                              | 10,457,099                    |
| Other pension liabilities                            | 2,947,280                    | -                              | -                              | 2,947,280                     |
| Deferred rent  | 14,632                       | 45,538                         | -                              | 60,170                        |
| Due to government agencies and deferred revenues     | 20,365,419                   | -                              | -                              | 20,365,419                    |
| Bank lines of credit                                 | 27,000,000                   | -                              | -                              | 27,000,000                    |
| Loan payable   | -                            | 287,500                        | -                              | 287,500                       |
| IDA bonds payable                                    | 7,645,970                    | -                              | -                              | 7,645,970                     |
| Other long-term debt                                 | <u>13,372,487</u>            | <u>-</u>                       | <u>-</u>                       | <u>13,372,487</u>             |
| <b>TOTAL LIABILITIES</b>                             | <b><u>100,602,775</u></b>    | <b><u>1,838,765</u></b>        | <b><u>(1,375,709)</u></b>      | <b><u>101,065,831</u></b>     |
| <b>NET ASSETS</b>                                    |                              |                                |                                |                               |
| Without donor restrictions:                          |                              |                                |                                |                               |
| Invested in property and equipment                   | 42,565,912                   | 117,911                        | -                              | 42,683,823                    |
| Available for operations                             | <u>47,874,570</u>            | <u>(1,607,346)</u>             | <u>-</u>                       | <u>46,267,224</u>             |
| Total without donor restrictions                     | <u>90,440,482</u>            | <u>(1,489,435)</u>             | <u>-</u>                       | <u>88,951,047</u>             |
| With donor restrictions:                             |                              |                                |                                |                               |
| Perpetual in nature                                  | 6,565,209                    | -                              | -                              | 6,565,209                     |
| Time and purpose restricted                          | <u>11,359,181</u>            | <u>45,082</u>                  | <u>-</u>                       | <u>11,404,263</u>             |
| With donor restrictions                              | <u>17,924,390</u>            | <u>45,082</u>                  | <u>-</u>                       | <u>17,969,472</u>             |
| <b>TOTAL NET ASSETS</b>                              | <b><u>108,364,872</u></b>    | <b><u>(1,444,353)</u></b>      | <b><u>-</u></b>                | <b><u>106,920,519</u></b>     |
| <b>TOTAL LIABILITIES AND NET ASSETS</b>              | <b><u>\$ 208,967,647</u></b> | <b><u>\$ 394,412</u></b>       | <b><u>\$ (1,375,709)</u></b>   | <b><u>\$ 207,986,350</u></b>  |

**JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC. AND SUBSIDIARY**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2019**

| <b>ASSETS</b>                                    | <b>The Jewish<br/>Board</b> | <b>The Alpha<br/>Workshops</b> | <b>Elimination<br/>Entries</b> | <b>Consolidated<br/>Total</b> |
|--|-----------------------------|--------------------------------|--------------------------------|-------------------------------|
| Cash and cash equivalents                        | \$ 7,398,284                | \$ 27,291                      | \$ -                           | \$ 7,425,575                  |
| Accounts receivable, net                         | 36,038,608                  | 53,860                         | -                              | 36,092,468                    |
| Due from related entity                          | 544,282                     | -                              | (544,282)                      | -                             |
| Contributions receivable, net                    | 1,506,741                   | -                              | -                              | 1,506,741                     |
| Investments                                      | 108,059,803                 | -                              | -                              | 108,059,803                   |
| Prepaid expenses and other assets                | 6,972,055                   | 85,660                         | -                              | 7,057,715                     |
| Property and equipment, net                      | <u>67,443,426</u>           | <u>183,605</u>                 | <u>-</u>                       | <u>67,627,031</u>             |
| <b>TOTAL ASSETS</b>                              | <b>\$ 227,963,199</b>       | <b>\$ 350,416</b>              | <b>\$ (544,282)</b>            | <b>\$ 227,769,333</b>         |
| <b>LIABILITIES</b>                               |                             |                                |                                |                               |
| Accounts payable and accrued expenses            | \$ 8,198,651                | \$ 110,627                     | \$ -                           | \$ 8,309,278                  |
| Due to related entity                            | -                           | 544,282                        | (544,282)                      | -                             |
| Accrued salaries and related benefits            | 5,614,423                   | 153,782                        | -                              | 5,768,205                     |
| Accrued vacation                                 | 5,446,501                   | 51,065                         | -                              | 5,497,566                     |
| Accrued postretirement benefits                  | 10,263,633                  | -                              | -                              | 10,263,633                    |
| Other pension liabilities                        | 2,738,706                   | -                              | -                              | 2,738,706                     |
| Deferred rent                                    | 247,113                     | 101,557                        | -                              | 348,670                       |
| Due to government agencies and deferred revenues | 23,237,877                  | -                              | -                              | 23,237,877                    |
| Bank lines of credit                             | 26,000,000                  | -                              | -                              | 26,000,000                    |
| IDA bonds payable                                | 9,258,090                   | -                              | -                              | 9,258,090                     |
| Other long-term debt                             | <u>15,462,002</u>           | <u>-</u>                       | <u>-</u>                       | <u>15,462,002</u>             |
| <b>TOTAL LIABILITIES</b>                         | <b>106,466,996</b>          | <b>961,313</b>                 | <b>(544,282)</b>               | <b>106,884,027</b>            |
| <b>NET ASSETS</b>                                |                             |                                |                                |                               |
| Without donor restrictions:                      |                             |                                |                                |                               |
| Invested in property and equipment               | 42,723,334                  | 183,605                        | -                              | 42,906,939                    |
| Available for operations                         | <u>58,500,176</u>           | <u>(839,584)</u>               | <u>-</u>                       | <u>57,660,592</u>             |
| Total without donor restrictions                 | <u>101,223,510</u>          | <u>(655,979)</u>               | <u>-</u>                       | <u>100,567,531</u>            |
| With donor restrictions:                         |                             |                                |                                |                               |
| Perpetual in nature                              | 6,565,209                   | -                              | -                              | 6,565,209                     |
| Time and purpose restricted                      | <u>13,707,484</u>           | <u>45,082</u>                  | <u>-</u>                       | <u>13,752,566</u>             |
| With donor restrictions                          | <u>20,272,693</u>           | <u>45,082</u>                  | <u>-</u>                       | <u>20,317,775</u>             |
| <b>TOTAL NET ASSETS</b>                          | <b>121,496,203</b>          | <b>(610,897)</b>               | <b>-</b>                       | <b>120,885,306</b>            |
| <b>TOTAL LIABILITIES AND NET ASSETS</b>          | <b>\$ 227,963,199</b>       | <b>\$ 350,416</b>              | <b>\$ (544,282)</b>            | <b>\$ 227,769,333</b>         |

**JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC. AND SUBSIDIARY**  
**CONSOLIDATING STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

|  | The Jewish Board          |                        |                       | The Alpha Workshops       |                        |                       | Consolidated Total  |                           |                        |                         |
|--|---------------------------|------------------------|-----------------------|---------------------------|------------------------|-----------------------|---------------------|---------------------------|------------------------|-------------------------|
|  | Without Donor Restriction | With Donor Restriction | Total 2020            | Without Donor Restriction | With Donor Restriction | Total 2020            | Elimination Entries | Without Donor Restriction | With Donor Restriction | Consolidated Total 2020 |
| <b>OPERATING REVENUE AND SUPPORT</b>                                       |                           |                        |                       |                           |                        |                       |                     |                           |                        |                         |
| Program service fees   | \$ 134,743,367            | \$ -                   | \$ 134,743,367        | \$ -                      | \$ -                   | \$ -                  | \$ -                | \$ 134,743,367            | \$ -                   | \$ 134,743,367          |
| Government grants  | 74,144,539                | -                      | 74,144,539            | 515,626                   | -                      | 515,626               | -                   | 74,660,165                | -                      | 74,660,165              |
| Contributions  | 5,434,801                 | 21,990                 | 5,456,791             | 5,670                     | -                      | 5,670                 | -                   | 5,440,471                 | 21,990                 | 5,462,461               |
| Special events (net of direct costs of \$205,909)                          | 1,231,080                 | -                      | 1,231,080             | 95,697                    | -                      | 95,697                | -                   | 1,326,777                 | -                      | 1,326,777               |
| United Jewish Appeal-Federation of Jewish Philanthropies of New York, Inc. | 7,077,247                 | -                      | 7,077,247             | -                         | -                      | -                     | -                   | 7,077,247                 | -                      | 7,077,247               |
| Donated services   | 837,191                   | -                      | 837,191               | -                         | -                      | -                     | -                   | 837,191                   | -                      | 837,191                 |
| Rentals and other income   | 814,079                   | -                      | 814,079               | 534,861                   | -                      | 534,861               | (120,000)           | 1,228,940                 | -                      | 1,228,940               |
| Investment income used for operations                                      | 5,552,771                 | (110,015)              | 5,442,756             | -                         | -                      | -                     | -                   | 5,552,771                 | (110,015)              | 5,442,756               |
| Net assets released from restrictions                                      | 2,370,293                 | (2,370,293)            | -                     | -                         | -                      | -                     | -                   | 2,370,293                 | (2,370,293)            | -                       |
| <b>TOTAL OPERATING REVENUE AND SUPPORT</b>                                 | <b>232,205,368</b>        | <b>(2,458,318)</b>     | <b>229,747,050</b>    | <b>1,151,854</b>          | <b>-</b>               | <b>1,151,854</b>      | <b>(120,000)</b>    | <b>233,237,222</b>        | <b>(2,458,318)</b>     | <b>230,778,904</b>      |
| <b>OPERATING EXPENSES</b>  |                           |                        |                       |                           |                        |                       |                     |                           |                        |                         |
| <b>Program Services:</b>   |                           |                        |                       |                           |                        |                       |                     |                           |                        |                         |
| Residential  | 118,818,187               | -                      | 118,818,187           | -                         | -                      | -                     | -                   | 118,818,187               | -                      | 118,818,187             |
| Community services   | 87,292,732                | -                      | 87,292,732            | -                         | -                      | -                     | -                   | 87,292,732                | -                      | 87,292,732              |
| Education  | 3,211,930                 | -                      | 3,211,930             | -                         | -                      | -                     | -                   | 3,211,930                 | -                      | 3,211,930               |
| Vocational   | -                         | -                      | -                     | 1,224,299                 | -                      | 1,224,299             | -                   | 1,224,299                 | -                      | 1,224,299               |
| <b>Total Program Services</b>  | <b>209,322,849</b>        | <b>-</b>               | <b>209,322,849</b>    | <b>1,224,299</b>          | <b>-</b>               | <b>1,224,299</b>      | <b>-</b>            | <b>210,547,148</b>        | <b>-</b>               | <b>210,547,148</b>      |
| <b>Supporting Services:</b>  |                           |                        |                       |                           |                        |                       |                     |                           |                        |                         |
| Management and general   | 25,601,443                | -                      | 25,601,443            | 757,899                   | -                      | 757,899               | (120,000)           | 26,239,342                | -                      | 26,239,342              |
| Fundraising  | 1,354,294                 | -                      | 1,354,294             | 3,112                     | -                      | 3,112                 | -                   | 1,357,406                 | -                      | 1,357,406               |
| <b>Total Supporting Services</b>   | <b>26,955,737</b>         | <b>-</b>               | <b>26,955,737</b>     | <b>761,011</b>            | <b>-</b>               | <b>761,011</b>        | <b>(120,000)</b>    | <b>27,596,748</b>         | <b>-</b>               | <b>27,596,748</b>       |
| <b>TOTAL OPERATING EXPENSES</b>  | <b>236,278,586</b>        | <b>-</b>               | <b>236,278,586</b>    | <b>1,985,310</b>          | <b>-</b>               | <b>1,985,310</b>      | <b>(120,000)</b>    | <b>238,143,896</b>        | <b>-</b>               | <b>238,143,896</b>      |
| <b>CHANGE IN NET ASSETS FROM OPERATIONS</b>                                | <b>(4,073,218)</b>        | <b>(2,458,318)</b>     | <b>(6,531,536)</b>    | <b>(833,456)</b>          | <b>-</b>               | <b>(833,456)</b>      | <b>-</b>            | <b>(4,906,674)</b>        | <b>(2,458,318)</b>     | <b>(7,364,992)</b>      |
| <b>NON-OPERATING ACTIVITIES</b>  |                           |                        |                       |                           |                        |                       |                     |                           |                        |                         |
| Investment activity  | (922,227)                 | -                      | (922,227)             | -                         | -                      | -                     | -                   | (922,227)                 | -                      | (922,227)               |
| Less: Amount used for operations   | (5,552,771)               | 110,015                | (5,442,756)           | -                         | -                      | -                     | -                   | (5,552,771)               | 110,015                | (5,442,756)             |
| Investment activity over/(under) amounts used for operations               | (6,474,998)               | 110,015                | (6,364,983)           | -                         | -                      | -                     | -                   | (6,474,998)               | 110,015                | (6,364,983)             |
| <b>TOTAL NON-OPERATING ACTIVITIES</b>                                      | <b>(6,474,998)</b>        | <b>110,015</b>         | <b>(6,364,983)</b>    | <b>-</b>                  | <b>-</b>               | <b>-</b>              | <b>-</b>            | <b>(6,474,998)</b>        | <b>110,015</b>         | <b>(6,364,983)</b>      |
| <b>CHANGE IN NET ASSETS BEFORE POSTRETIREMENT RELATED CHANGES</b>          | <b>(10,548,216)</b>       | <b>(2,348,303)</b>     | <b>(12,896,519)</b>   | <b>(833,456)</b>          | <b>-</b>               | <b>(833,456)</b>      | <b>-</b>            | <b>(11,381,672)</b>       | <b>(2,348,303)</b>     | <b>(13,729,975)</b>     |
| Postretirement related changes other than net periodic costs               | (234,812)                 | -                      | (234,812)             | -                         | -                      | -                     | -                   | (234,812)                 | -                      | (234,812)               |
| <b>CHANGE IN NET ASSETS</b>  | <b>(10,783,028)</b>       | <b>(2,348,303)</b>     | <b>(13,131,331)</b>   | <b>(833,456)</b>          | <b>-</b>               | <b>(833,456)</b>      | <b>-</b>            | <b>(11,616,484)</b>       | <b>(2,348,303)</b>     | <b>(13,964,787)</b>     |
| Net assets - beginning of year   | 101,223,510               | 20,272,693             | 121,496,203           | (655,979)                 | 45,082                 | (610,897)             | -                   | 100,567,531               | 20,317,775             | 120,885,306             |
| <b>(Goodwill) contribution from acquisition</b>                            | <b>-</b>                  | <b>-</b>               | <b>-</b>              | <b>-</b>                  | <b>-</b>               | <b>-</b>              | <b>-</b>            | <b>-</b>                  | <b>-</b>               | <b>-</b>                |
| <b>NET ASSETS - END OF YEAR</b>  | <b>\$ 90,440,482</b>      | <b>\$ 17,924,390</b>   | <b>\$ 108,364,872</b> | <b>\$ (1,489,435)</b>     | <b>\$ 45,082</b>       | <b>\$ (1,444,353)</b> | <b>\$ -</b>         | <b>\$ 88,951,047</b>      | <b>\$ 17,969,472</b>   | <b>\$ 106,920,519</b>   |

See independent auditors' report.

**JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC. AND SUBSIDIARY**  
**CONSOLIDATING STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

|   | The Jewish Board             |                           |                       | The Alpha Workshops          |                           |                     | Consolidated Total     |                              |                           |                            |
|---|------------------------------|---------------------------|-----------------------|------------------------------|---------------------------|---------------------|------------------------|------------------------------|---------------------------|----------------------------|
|   | Without Donor<br>Restriction | With Donor<br>Restriction | Total<br>2019         | Without Donor<br>Restriction | With Donor<br>Restriction | Total<br>2019       | Elimination<br>Entries | Without Donor<br>Restriction | With Donor<br>Restriction | Consolidated<br>Total 2019 |
| <b>OPERATING REVENUE AND SUPPORT</b>  |                              |                           |                       |                              |                           |                     |                        |                              |                           |                            |
| Program service fees  | \$ 128,696,409               | \$ -                      | \$ 128,696,409        | \$ -                         | \$ -                      | \$ -                | \$ -                   | \$ 128,696,409               | \$ -                      | \$ 128,696,409             |
| Government grants   | 71,467,061                   | -                         | 71,467,061            | 185,230                      | -                         | 185,230             | -                      | 71,652,291                   | -                         | 71,652,291                 |
| Contributions   | 5,134,711                    | 1,027,554                 | 6,162,265             | 157,211                      | -                         | 157,211             | -                      | 5,291,922                    | 1,027,554                 | 6,319,476                  |
| Special events (net of direct costs of \$366,669)                             | 2,099,862                    | -                         | 2,099,862             | -                            | -                         | -                   | -                      | 2,099,862                    | -                         | 2,099,862                  |
| United Jewish Appeal-Federation of Jewish<br>Philanthropies of New York, Inc. | 9,176,469                    | -                         | 9,176,469             | -                            | -                         | -                   | -                      | 9,176,469                    | -                         | 9,176,469                  |
| Donated services  | 2,108,147                    | -                         | 2,108,147             | 249,272                      | -                         | 249,272             | -                      | 2,357,419                    | -                         | 2,357,419                  |
| Rentals and other income  | 1,114,064                    | -                         | 1,114,064             | 253,647                      | -                         | 253,647             | (60,000)               | 1,307,711                    | -                         | 1,307,711                  |
| Investment income used for operations   | 4,806,494                    | (250,958)                 | 4,555,536             | -                            | -                         | -                   | -                      | 4,806,494                    | (250,958)                 | 4,555,536                  |
| Net assets released from restrictions   | 1,924,413                    | (1,924,413)               | -                     | -                            | -                         | -                   | -                      | 1,924,413                    | (1,924,413)               | -                          |
| <b>TOTAL OPERATING REVENUE AND SUPPORT</b>                                    | <b>226,527,630</b>           | <b>(1,147,817)</b>        | <b>225,379,813</b>    | <b>845,360</b>               | <b>-</b>                  | <b>845,360</b>      | <b>(60,000)</b>        | <b>227,312,990</b>           | <b>(1,147,817)</b>        | <b>226,165,173</b>         |
| <b>OPERATING EXPENSES</b>   |                              |                           |                       |                              |                           |                     |                        |                              |                           |                            |
| <b>Program Services:</b>  |                              |                           |                       |                              |                           |                     |                        |                              |                           |                            |
| Residential   | 124,345,078                  | -                         | 124,345,078           | -                            | -                         | -                   | -                      | 124,345,078                  | -                         | 124,345,078                |
| Community services  | 87,030,809                   | -                         | 87,030,809            | -                            | -                         | -                   | -                      | 87,030,809                   | -                         | 87,030,809                 |
| Education   | 3,288,652                    | -                         | 3,288,652             | -                            | -                         | -                   | -                      | 3,288,652                    | -                         | 3,288,652                  |
| Vocational  | -                            | -                         | -                     | 612,549                      | -                         | 612,549             | -                      | 612,549                      | -                         | 612,549                    |
| <b>Total Program Services</b>   | <b>214,664,539</b>           | <b>-</b>                  | <b>214,664,539</b>    | <b>612,549</b>               | <b>-</b>                  | <b>612,549</b>      | <b>-</b>               | <b>215,277,088</b>           | <b>-</b>                  | <b>215,277,088</b>         |
| <b>Supporting Services:</b>   |                              |                           |                       |                              |                           |                     |                        |                              |                           |                            |
| Management and general  | 24,150,511                   | -                         | 24,150,511            | 719,317                      | -                         | 719,317             | (60,000)               | 24,809,828                   | -                         | 24,809,828                 |
| Fundraising   | 1,257,338                    | -                         | 1,257,338             | 124,391                      | -                         | 124,391             | -                      | 1,381,729                    | -                         | 1,381,729                  |
| <b>Total Supporting Services</b>  | <b>25,407,849</b>            | <b>-</b>                  | <b>25,407,849</b>     | <b>843,708</b>               | <b>-</b>                  | <b>843,708</b>      | <b>(60,000)</b>        | <b>26,191,557</b>            | <b>-</b>                  | <b>26,191,557</b>          |
| <b>TOTAL OPERATING EXPENSES</b>   | <b>240,072,388</b>           | <b>-</b>                  | <b>240,072,388</b>    | <b>1,456,257</b>             | <b>-</b>                  | <b>1,456,257</b>    | <b>(60,000)</b>        | <b>241,468,645</b>           | <b>-</b>                  | <b>241,468,645</b>         |
| <b>CHANGE IN NET ASSETS FROM OPERATIONS</b>                                   | <b>(13,544,758)</b>          | <b>(1,147,817)</b>        | <b>(14,692,575)</b>   | <b>(610,897)</b>             | <b>-</b>                  | <b>(610,897)</b>    | <b>-</b>               | <b>(14,155,655)</b>          | <b>(1,147,817)</b>        | <b>(15,303,472)</b>        |
| <b>NON-OPERATING ACTIVITIES</b>   |                              |                           |                       |                              |                           |                     |                        |                              |                           |                            |
| Investment activity   | 3,840,841                    | -                         | 3,840,841             | -                            | -                         | -                   | -                      | 3,840,841                    | -                         | 3,840,841                  |
| Less: Amount used for operations  | (4,806,494)                  | 250,958                   | (4,555,536)           | -                            | -                         | -                   | -                      | (4,806,494)                  | 250,958                   | (4,555,536)                |
| Investment activity over/(under) amounts used for operations                  | (965,653)                    | 250,958                   | (714,695)             | -                            | -                         | -                   | -                      | (965,653)                    | 250,958                   | (714,695)                  |
| <b>TOTAL NON-OPERATING ACTIVITIES</b>   | <b>(965,653)</b>             | <b>250,958</b>            | <b>(714,695)</b>      | <b>-</b>                     | <b>-</b>                  | <b>-</b>            | <b>-</b>               | <b>(965,653)</b>             | <b>250,958</b>            | <b>(714,695)</b>           |
| <b>CHANGE IN NET ASSETS BEFORE POSTRETIREMENT RELATED CHANGES</b>             | <b>(14,510,411)</b>          | <b>(896,859)</b>          | <b>(15,407,270)</b>   | <b>(610,897)</b>             | <b>-</b>                  | <b>(610,897)</b>    | <b>-</b>               | <b>(15,121,308)</b>          | <b>(896,859)</b>          | <b>(16,018,167)</b>        |
| Postretirement related changes other than net periodic costs                  | (405,640)                    | -                         | (405,640)             | -                            | -                         | -                   | -                      | -                            | -                         | -                          |
| <b>CHANGE IN NET ASSETS</b>   | <b>(14,916,051)</b>          | <b>(896,859)</b>          | <b>(15,812,910)</b>   | <b>(610,897)</b>             | <b>-</b>                  | <b>(610,897)</b>    | <b>-</b>               | <b>(15,526,948)</b>          | <b>(896,859)</b>          | <b>(16,423,807)</b>        |
| Net assets - beginning of year  | 116,177,108                  | 21,169,552                | 137,346,660           | (82,629)                     | 45,082                    | (37,547)            | -                      | 116,094,479                  | 21,214,634                | 137,309,113                |
| <b>(Goodwill) contribution from acquisition</b>                               | <b>(37,547)</b>              | <b>-</b>                  | <b>(37,547)</b>       | <b>37,547</b>                | <b>-</b>                  | <b>37,547</b>       | <b>-</b>               | <b>-</b>                     | <b>-</b>                  | <b>-</b>                   |
| <b>NET ASSETS - END OF YEAR</b>   | <b>\$ 101,223,510</b>        | <b>\$ 20,272,693</b>      | <b>\$ 121,496,203</b> | <b>\$ (655,979)</b>          | <b>\$ 45,082</b>          | <b>\$ (610,897)</b> | <b>\$ -</b>            | <b>\$ 100,567,531</b>        | <b>\$ 20,317,775</b>      | <b>\$ 120,885,306</b>      |

See independent auditors' report.

**JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC. AND SUBSIDIARY**  
**CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

|                                     | The Jewish Board      |                      |                     |                        |                     | The Alpha Workshops   |                     |                        |                 | Consolidated Total  |                       |                      |                     |                     |                        |                            |                        |                     |                           |                       |
|-------------------------------------|-----------------------|----------------------|---------------------|------------------------|---------------------|-----------------------|---------------------|------------------------|-----------------|---------------------|-----------------------|----------------------|---------------------|---------------------|------------------------|----------------------------|------------------------|---------------------|---------------------------|-----------------------|
|                                     | Program Services      |                      | Supporting Services |                        |                     | Program Services      |                     | Supporting Services    |                 | Program Services    |                       |                      |                     | Supporting Services |                        |                            |                        |                     |                           |                       |
|                                     | Residential           | Community Services   | Education           | Management and General | Fundraising         | Total                 | Vocational          | Management and General | Fundraising     | Total               | Residential           | Community Services   | Education           | Training Vocational | Total Program Services | Consolidating Eliminations | Management and General | Fundraising         | Total Supporting Services | Consolidated Total    |
| Salaries                            | \$ 56,051,245         | \$ 51,559,817        | \$ 1,533,198        | \$ 11,133,222          | \$ 824,998          | \$ 121,102,480        | \$ 915,011          | \$ 166,540             | \$ -            | \$ 1,081,551        | \$ 56,051,245         | \$ 51,559,817        | \$ 1,533,198        | \$ 915,011          | \$ 110,059,271         | \$ -                       | \$ 11,299,762          | \$ 824,998          | \$ 12,124,760             | \$ 122,184,031        |
| Payroll taxes and benefits          | 17,230,263            | 15,408,139           | 480,491             | 4,162,740              | 252,932             | 37,534,565            | 181,640             | 61,440                 | -               | 243,080             | 17,230,263            | 15,408,139           | 480,491             | 181,640             | 33,300,533             | -                          | 4,224,180              | 252,932             | 4,477,112                 | 37,777,645            |
| <b>Total Personnel Costs</b>        | <b>73,281,508</b>     | <b>66,967,956</b>    | <b>2,013,689</b>    | <b>15,295,962</b>      | <b>1,077,930</b>    | <b>158,637,045</b>    | <b>1,096,651</b>    | <b>227,980</b>         | <b>-</b>        | <b>1,324,631</b>    | <b>73,281,508</b>     | <b>66,967,956</b>    | <b>2,013,689</b>    | <b>1,096,651</b>    | <b>143,359,804</b>     | <b>-</b>                   | <b>15,523,942</b>      | <b>1,077,930</b>    | <b>16,601,872</b>         | <b>159,961,676</b>    |
| Consulting and professional fees    | 5,450,374             | 4,293,233            | 602,662             | 2,623,245              | 29,487              | 12,999,001            | 9,642               | 9,876                  | -               | 19,518              | 5,450,374             | 4,293,233            | 602,662             | 9,642               | 10,355,911             | -                          | 2,633,121              | 29,487              | 2,662,608                 | 13,018,519            |
| Recruiting                          | 223,204               | 97,650               | -                   | 430,943                | -                   | 751,797               | -                   | -                      | -               | -                   | 223,204               | 97,650               | -                   | -                   | 320,854                | -                          | 430,943                | -                   | 430,943                   | 751,797               |
| Other contract services             | 1,408,736             | 1,300,598            | 17,008              | 1,606,629              | 82,329              | 4,415,300             | 5,513               | 143,057                | -               | 148,570             | 1,408,736             | 1,300,598            | 17,008              | 5,513               | 2,731,855              | (120,000)                  | 1,629,686              | 82,329              | 1,712,015                 | 4,443,870             |
| Supplies                            | 2,706,681             | 483,533              | 18,190              | 317,788                | 5,819               | 3,532,011             | 67,640              | 1,939                  | 317             | 69,896              | 2,706,681             | 483,533              | 18,190              | 67,640              | 3,276,044              | -                          | 319,727                | 6,136               | 325,863                   | 3,601,907             |
| Telephone                           | 1,021,703             | 832,540              | 27,659              | 196,593                | 8,255               | 2,086,750             | 5,514               | 2,698                  | -               | 8,212               | 1,021,703             | 832,540              | 27,659              | 5,514               | 1,887,416              | -                          | 199,291                | 8,255               | 207,546                   | 2,094,962             |
| Postage and shipping                | 18,528                | 11,402               | 195                 | 23,463                 | 8,007               | 61,595                | -                   | 374                    | -               | 2,700               | 18,528                | 11,402               | 195                 | 2,326               | 32,451                 | -                          | 23,837                 | 8,007               | 31,844                    | 64,295                |
| Occupancy                           | 8,537,054             | 7,446,619            | 242,951             | 1,674,061              | 83,665              | 17,984,350            | 14,159              | 283,807                | -               | 297,966             | 8,537,054             | 7,446,619            | 242,951             | 14,159              | 16,240,783             | -                          | 1,957,868              | 83,665              | 2,041,533                 | 18,282,316            |
| Equipment rental and other costs    | 144,556               | 155,324              | 5,558               | 50,684                 | 929                 | 357,051               | -                   | 288                    | 200             | 488                 | 144,556               | 155,324              | 5,558               | -                   | 305,438                | -                          | 50,972                 | 1,129               | 52,101                    | 357,539               |
| Vehicle rental                      | 675,484               | 29,966               | -                   | 13,451                 | -                   | 718,901               | -                   | -                      | -               | -                   | 675,484               | 29,966               | -                   | -                   | 705,450                | -                          | 13,451                 | -                   | 718,901                   |                       |
| Outside print and artwork           | 12,971                | 10,566               | 190                 | 9,890                  | 2,125               | 35,742                | -                   | -                      | -               | -                   | 12,971                | 10,566               | 190                 | -                   | 23,727                 | -                          | 9,890                  | 2,125               | 12,015                    | 35,742                |
| Staff travel and other              | 123,700               | 243,705              | 386                 | 37,167                 | 768                 | 405,726               | 7,373               | 1,879                  | 24              | 9,276               | 123,700               | 243,705              | 386                 | 7,373               | 375,164                | -                          | 39,046                 | 792                 | 39,838                    | 415,002               |
| Conferences and conventions         | 65,599                | 103,927              | 3,729               | 111,063                | 184,671             | 468,989               | 2,276               | 683                    | 34,019          | 36,978              | 65,599                | 103,927              | 3,729               | 2,276               | 175,531                | -                          | 111,746                | 218,690             | 330,436                   | 505,967               |
| Specific assistance                 | 16,437,618            | 1,461,364            | 11,129              | 942                    | 1,376               | 17,912,429            | -                   | -                      | -               | -                   | 16,437,618            | 1,461,364            | 11,129              | -                   | 17,910,111             | -                          | 942                    | 1,376               | 2,318                     | 17,912,429            |
| Membership dues                     | 87,285                | 14,892               | 150                 | 20,400                 | -                   | 122,727               | -                   | -                      | -               | -                   | 87,285                | 14,892               | 150                 | -                   | 102,327                | -                          | 20,400                 | -                   | 122,727                   |                       |
| Repairs and maintenance             | 1,712,208             | 188,801              | 10,022              | 21,538                 | 345                 | 1,932,914             | 10,166              | 3,836                  | -               | 14,002              | 1,712,208             | 188,801              | 10,022              | 10,166              | 1,921,197              | -                          | 25,374                 | 345                 | 25,719                    | 1,946,916             |
| Interest                            | 968,073               | 112,548              | -                   | 755,830                | -                   | 1,836,451             | -                   | -                      | -               | -                   | 968,073               | 112,548              | -                   | -                   | 1,080,621              | -                          | 755,830                | -                   | 1,836,451                 |                       |
| Medicaid facility tax assessment    | 747,377               | -                    | -                   | -                      | -                   | 747,377               | -                   | -                      | -               | -                   | 747,377               | -                    | -                   | -                   | 747,377                | -                          | -                      | -                   | 747,377                   |                       |
| General insurance                   | 1,793,762             | 954,704              | 39,374              | 140,506                | 10,528              | 2,938,874             | -                   | -                      | -               | -                   | 1,793,762             | 954,704              | 39,374              | -                   | 2,787,840              | -                          | 140,506                | 10,528              | 151,034                   | 2,938,874             |
| Depreciation                        | 3,153,389             | 1,129,229            | 213,336             | 1,923,938              | 4,170               | 6,424,062             | -                   | 54,942                 | 54,942          | 3,153,389           | 1,129,229             | 213,336              | -                   | 4,486,954           | -                      | 1,978,880                  | 4,170                  | 1,983,050           | 6,479,004                 |                       |
| Bad debt                            | -                     | 1,298,826            | -                   | -                      | -                   | 1,298,826             | -                   | -                      | -               | -                   | -                     | 1,298,826            | -                   | -                   | 1,298,826              | -                          | -                      | -                   | 1,298,826                 |                       |
| Miscellaneous                       | 248,377               | 155,349              | 5,702               | 347,350                | 25,780              | 782,558               | 3,039               | 26,540                 | 2,571           | 32,150              | 248,377               | 155,349              | 5,702               | 3,039               | 412,467                | -                          | 373,890                | 28,351              | 402,241                   | 814,708               |
|                                     | 118,818,187           | 87,292,732           | 3,211,930           | 25,601,443             | 1,526,184           | 236,450,476           | 1,224,299           | 757,899                | 37,131          | 2,019,329           | 118,818,187           | 87,292,732           | 3,211,930           | 1,224,299           | 210,547,148            | (120,000)                  | 26,239,342             | 1,563,315           | 27,802,657                | 238,349,805           |
| Less: Special event direct expenses | -                     | -                    | -                   | -                      | (171,890)           | (171,890)             | -                   | -                      | (34,019)        | (34,019)            | -                     | -                    | -                   | -                   | -                      | -                          | -                      | (205,909)           | (205,909)                 | (205,909)             |
| <b>TOTAL EXPENSES</b>               | <b>\$ 118,818,187</b> | <b>\$ 87,292,732</b> | <b>\$ 3,211,930</b> | <b>\$ 25,601,443</b>   | <b>\$ 1,354,294</b> | <b>\$ 236,278,586</b> | <b>\$ 1,224,299</b> | <b>\$ 757,899</b>      | <b>\$ 3,112</b> | <b>\$ 1,985,310</b> | <b>\$ 118,818,187</b> | <b>\$ 87,292,732</b> | <b>\$ 3,211,930</b> | <b>\$ 1,224,299</b> | <b>\$ 210,547,148</b>  | <b>\$ (120,000)</b>        | <b>\$ 26,239,342</b>   | <b>\$ 1,357,406</b> | <b>\$ 27,596,748</b>      | <b>\$ 238,143,896</b> |

See independent auditors' report.

**JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC. AND SUBSIDIARY**  
**CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

|                                     | The Jewish Board     |                      |                     |                        |                     | The Alpha Workshops  |                   |                        |                   |                     | Consolidated Total   |                      |                     |                     |                        |                            |                        |                     |                           |                      |
|-------------------------------------|----------------------|----------------------|---------------------|------------------------|---------------------|----------------------|-------------------|------------------------|-------------------|---------------------|----------------------|----------------------|---------------------|---------------------|------------------------|----------------------------|------------------------|---------------------|---------------------------|----------------------|
|                                     | Program Services     |                      | Supporting Services |                        |                     | Program Services     |                   | Supporting Services    |                   |                     | Program Services     |                      | Supporting Services |                     |                        |                            |                        |                     |                           |                      |
|                                     | Residential          | Community Services   | Education           | Management and General | Fundraising         | Total                | Vocational        | Management and General | Fundraising       | Total               | Residential          | Community Services   | Education           | Training Vocational | Total Program Services | Consolidating Eliminations | Management and General | Fundraising         | Total Supporting Services | Consolidated Total   |
| Salaries                            | \$ 54,332,362        | \$ 49,478,602        | \$ 1,510,933        | \$ 9,940,978           | \$ 769,529          | \$116,032,404        | \$ 424,143        | \$ 188,613             | \$ 12,220         | \$ 624,976          | \$ 54,332,362        | \$ 49,478,602        | \$ 1,510,933        | \$ 424,143          | \$105,746,040          | \$ -                       | \$ 10,129,591          | \$ 781,749          | \$ 10,911,340             | \$116,657,380        |
| Payroll taxes and benefits          | 18,472,781           | 15,888,454           | 512,319             | 4,158,242              | 233,935             | 39,265,731           | 57,299            | 10,218                 | 5,293             | 72,810              | 18,472,781           | 15,888,454           | 512,319             | 57,299              | 34,930,853             | -                          | 4,168,460              | 239,228             | 4,407,688                 | 39,338,541           |
| <b>Total Personnel Costs</b>        | <b>72,805,143</b>    | <b>65,367,056</b>    | <b>2,023,252</b>    | <b>14,099,220</b>      | <b>1,003,464</b>    | <b>155,298,135</b>   | <b>481,442</b>    | <b>198,831</b>         | <b>17,513</b>     | <b>697,786</b>      | <b>72,805,143</b>    | <b>65,367,056</b>    | <b>2,023,252</b>    | <b>481,442</b>      | <b>140,676,893</b>     | <b>-</b>                   | <b>14,298,051</b>      | <b>1,020,977</b>    | <b>15,319,028</b>         | <b>155,995,921</b>   |
| Consulting and professional fees    | 4,719,192            | 4,652,696            | 571,890             | 3,275,582              | 24,969              | 13,244,319           | 2,000             | 254,053                | -                 | 256,053             | 4,719,192            | 4,652,696            | 571,890             | 2,000               | 9,945,768              | -                          | 3,529,635              | 24,969              | 3,554,604                 | 13,500,372           |
| Recruiting                          | 137,121              | 193,502              | 368                 | 233,472                | 456                 | 564,919              | -                 | -                      | -                 | 137,121             | 193,502              | 368                  | -                   | 330,991             | -                      | 233,472                    | 456                    | 233,928             | 564,919                   |                      |
| Other contract services             | 1,155,519            | 1,630,514            | 18,776              | 1,498,585              | 47,213              | 4,350,607            | 44,090            | 9,117                  | 111               | 53,318              | 1,155,519            | 1,630,514            | 18,776              | 44,090              | 2,848,899              | (60,000)                   | 1,507,702              | 47,324              | 1,555,026                 | 4,403,925            |
| Supplies                            | 2,059,942            | 433,752              | 30,184              | 99,445                 | 3,398               | 2,626,721            | 52,961            | 7,569                  | 3,954             | 64,484              | 2,059,942            | 433,752              | 30,184              | 52,961              | 2,576,839              | -                          | 107,014                | 7,352               | 114,366                   | 2,691,205            |
| Telephone                           | 674,734              | 578,095              | 16,507              | 61,115                 | 4,615               | 1,335,066            | 4,794             | 721                    | -                 | 5,515               | 674,734              | 578,095              | 16,507              | 4,794               | 1,274,130              | -                          | 61,836                 | 4,615               | 66,451                    | 1,340,581            |
| Postage and shipping                | 15,910               | 15,831               | 326                 | 21,875                 | 4,305               | 58,247               | 3,113             | 199                    | -                 | 3,312               | 15,910               | 15,831               | 326                 | 3,113               | 35,180                 | -                          | 22,074                 | 4,305               | 26,379                    | 61,559               |
| Occupancy                           | 8,511,301            | 7,342,473            | 335,436             | 1,469,970              | 82,084              | 17,741,264           | 6,273             | 154,952                | -                 | 161,225             | 8,511,301            | 7,342,473            | 335,436             | 6,273               | 16,195,483             | -                          | 1,564,922              | 82,084              | 1,647,006                 | 17,842,489           |
| Equipment rental and other costs    | 153,577              | 152,241              | 5,860               | 44,960                 | 2,304               | 358,942              | -                 | 696                    | -                 | 696                 | 153,577              | 152,241              | 5,860               | -                   | 311,678                | -                          | 45,656                 | 2,304               | 47,960                    | 359,638              |
| Vehicle rental                      | 810,484              | 30,640               | -                   | 13,449                 | -                   | 854,573              | -                 | -                      | -                 | -                   | 810,484              | 30,640               | -                   | -                   | 841,124                | -                          | 13,449                 | -                   | 13,449                    | 854,573              |
| Outside print and artwork           | 9,853                | 15,879               | 1                   | 12,992                 | 2,349               | 41,074               | -                 | -                      | -                 | -                   | 9,853                | 15,879               | 1                   | -                   | 25,733                 | -                          | 12,992                 | 2,349               | 15,341                    | 41,074               |
| Staff travel and other              | 158,486              | 332,699              | 548                 | 55,267                 | 1,868               | 548,868              | 721               | 417                    | 44                | 1,182               | 158,486              | 332,699              | 548                 | 721                 | 492,454                | -                          | 55,684                 | 1,912               | 57,596                    | 550,050              |
| Conferences and conventions         | 106,360              | 151,967              | 4,846               | 106,816                | 379,564             | 382,884              | 7,227             | 671                    | 101,249           | 109,147             | 106,360              | 151,967              | 4,846               | 7,227               | 270,400                | -                          | 107,487                | 480,813             | 588,300                   | 858,700              |
| Specific assistance                 | 23,568,513           | 1,571,386            | 6,624               | 150                    | 5                   | 25,148,678           | -                 | -                      | -                 | -                   | 23,568,513           | 1,571,386            | 6,624               | -                   | 25,148,523             | -                          | 150                    | 5                   | 155                       | 25,148,678           |
| Membership dues                     | 134,932              | 47,898               | 1,247               | 29,091                 | 2,717               | 215,885              | -                 | -                      | -                 | 134,932             | 47,898               | 1,247                | -                   | 184,077             | -                      | 29,091                     | 2,717                  | 31,808              | 215,885                   |                      |
| Repairs and maintenance             | 2,068,268            | 203,641              | 10,812              | 4,956                  | 253                 | 2,287,930            | 331               | 3,705                  | -                 | 4,036               | 2,068,268            | 203,641              | 10,812              | 331                 | 2,283,052              | -                          | 8,661                  | 253                 | 8,914                     | 2,291,966            |
| Interest                            | 1,120,236            | 141,403              | -                   | 775,717                | -                   | 2,037,356            | -                 | 2,558                  | -                 | 2,558               | 1,120,236            | 141,403              | -                   | -                   | 1,261,639              | -                          | 778,275                | -                   | 778,275                   | 2,039,914            |
| Medicaid facility tax assessment    | 895,773              | -                    | -                   | -                      | -                   | 895,773              | -                 | -                      | -                 | -                   | 895,773              | -                    | -                   | -                   | 895,773                | -                          | -                      | -                   | -                         | 895,773              |
| General insurance                   | 1,955,470            | 1,028,743            | 43,933              | 153,150                | 11,449              | 3,192,745            | -                 | 356                    | -                 | 356                 | 1,955,470            | 1,028,743            | 43,933              | -                   | 3,028,146              | -                          | 153,506                | 11,449              | 164,955                   | 3,193,101            |
| Depreciation                        | 3,136,966            | 1,183,887            | 214,743             | 2,037,391              | 6,510               | 6,579,497            | -                 | 45,749                 | -                 | 45,749              | 3,136,966            | 1,183,887            | 214,743             | -                   | 4,535,596              | -                          | 2,083,140              | 6,510               | 2,089,650                 | 6,625,246            |
| Bad debt                            | 10,297               | 1,870,763            | -                   | -                      | -                   | 1,881,060            | -                 | -                      | -                 | -                   | 10,297               | 1,870,763            | -                   | -                   | 1,881,060              | -                          | -                      | -                   | 1,881,060                 |                      |
| Miscellaneous                       | 137,001              | 85,743               | 1,309               | 157,308                | 46,484              | 427,845              | 9,597             | 39,723                 | 1,520             | 50,840              | 137,001              | 85,743               | 1,309               | 9,597               | 233,650                | -                          | 197,031                | 48,004              | 245,035                   | 478,685              |
|                                     | 124,345,078          | 87,030,809           | 3,288,652           | 24,150,511             | 1,624,007           | 240,072,388          | 612,549           | 719,317                | 124,391           | 1,456,257           | 124,345,078          | 87,030,809           | 3,288,652           | 612,549             | 215,277,088            | (60,000)                   | 24,809,828             | 1,748,398           | 26,558,226                | 241,835,314          |
| Less: Special event direct expense: | -                    | -                    | -                   | -                      | (366,669)           | (366,669)            | -                 | -                      | -                 | -                   | -                    | -                    | -                   | -                   | -                      | -                          | -                      | (366,669)           | (366,669)                 | (366,669)            |
| <b>TOTAL EXPENSES</b>               | <b>\$124,345,078</b> | <b>\$ 87,030,809</b> | <b>\$ 3,288,652</b> | <b>\$ 24,150,511</b>   | <b>\$ 1,257,338</b> | <b>\$239,705,719</b> | <b>\$ 612,549</b> | <b>\$ 719,317</b>      | <b>\$ 124,391</b> | <b>\$ 1,456,257</b> | <b>\$124,345,078</b> | <b>\$ 87,030,809</b> | <b>\$ 3,288,652</b> | <b>\$ 612,549</b>   | <b>\$215,277,088</b>   | <b>\$ (60,000)</b>         | <b>\$ 24,809,828</b>   | <b>\$ 1,381,729</b> | <b>\$ 26,191,557</b>      | <b>\$241,468,645</b> |

See independent auditors' report.