

**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
and Supplementary Information
(Together with Independent Auditors' Report)**

Years Ended June 30, 2021 and 2020

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
AND SUPPLEMENTARY INFORMATION
(Together with Independent Auditors' Report)**

YEARS ENDED JUNE 30, 2021 AND 2020

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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 Agency") which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, 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 these 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 Agency as of June 30, 2021 and 2020, 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.

Adoption of New Accounting Principle

As discussed in Note 2O, the Agency adopted Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2016-02, *Leases*, for the year ended June 30, 2021. Our opinion is not modified with respect to this matter.

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 25 - 30 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and changes in net assets 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.



New York, NY
November 29, 2021

JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2021 AND 2020

ASSETS	<u>2021</u>	<u>2020</u>
Cash and cash equivalents (Notes 2C and 19A)	\$ 4,473,709	\$ 2,878,118
Accounts receivable, net (Notes 2D and 4)	48,794,938	45,297,903
Contributions receivable, net (Notes 2D, 2E and 5)	2,075,126	2,134,082
Investments (Notes 2F, 6 and 7)	114,950,250	87,489,136
Prepaid expenses and other assets (Note 2H)	6,790,852	6,484,831
Operating lease right -of-use assets (Notes 2O and 17)	44,614,286	-
Property and equipment, net (Notes 2G and 8)	<u>60,908,832</u>	<u>63,702,280</u>
 TOTAL ASSETS	 <u>\$ 282,607,993</u>	 <u>\$ 207,986,350</u>
 LIABILITIES		
Accounts payable and accrued expenses (Notes 2C and 2H)	\$ 3,787,905	\$ 5,761,520
Accrued salaries and related benefits	10,690,277	7,037,599
Accrued vacation	6,099,491	6,130,787
Accrued postretirement benefits (Note 13)	9,520,936	10,457,099
Other pension liabilities (Note 14B)	3,371,337	2,947,280
Deferred revenues (Note 18B)	10,664,380	3,831,652
Due to government agencies (Note 18B)	16,088,174	16,533,767
Bank lines of credit (Note 11)	25,000,000	27,000,000
Loan payable (Note 12)	10,229,935	287,500
IDA bonds payable (Note 9)	-	7,645,970
Other long-term debt (Note 10)	12,710,199	13,372,487
Deferred rent (Notes 2M)	-	60,170
Lease liability (Notes 2O and 17)	<u>44,564,517</u>	<u>-</u>
 TOTAL LIABILITIES	 <u>152,727,151</u>	 <u>101,065,831</u>
 COMMITMENTS AND CONTINGENCIES (Note 18)		
 NET ASSETS (Note 2B)		
Without donor restrictions:		
Invested in property and equipment	48,198,633	42,683,823
Available for operations	<u>62,706,694</u>	<u>46,267,224</u>
Total without donor restrictions	<u>110,905,327</u>	<u>88,951,047</u>
With donor restrictions:		
Perpetual in nature	6,565,209	6,565,209
Time and purpose restricted	<u>12,410,306</u>	<u>11,404,263</u>
Total with donor restrictions (Note 16)	<u>18,975,515</u>	<u>17,969,472</u>
 TOTAL NET ASSETS	 <u>129,880,842</u>	 <u>106,920,519</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 282,607,993</u>	 <u>\$ 207,986,350</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 ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	For the Year Ended June 30, 2021			For the Year Ended June 30, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total 2021	Without Donor Restrictions	With Donor Restrictions	Total 2020
OPERATING REVENUE AND SUPPORT (Note 2L):						
Program service fees (Notes 2I and 2O)	\$ 138,380,588	\$ -	\$ 138,380,588	\$ 134,743,367	\$ -	\$ 134,743,367
Government grants (Note 2I)	73,843,523	-	73,843,523	74,660,165	-	74,660,165
Contributions (Note 2E)	6,342,221	17,000	6,359,221	5,440,471	21,990	5,462,461
Special events (net of direct costs of \$205,909 for the year ended June 30, 2020)	-	-	-	1,326,777	-	1,326,777
United Jewish Appeal-Federation of Jewish Philanthropies of New York, Inc.	7,006,991	-	7,006,991	7,077,247	-	7,077,247
Donated services (Note 2J)	648,028	-	648,028	837,191	-	837,191
Rentals and other income (Note 8)	4,988,572	-	4,988,572	1,228,940	-	1,228,940
Investment income used for operations (Notes 6 and 16)	3,391,924	1,425,073	4,816,997	5,552,771	(110,015)	5,442,756
Net assets released from restrictions (Notes 2B and 16)	336,275	(336,275)	-	2,370,293	(2,370,293)	-
TOTAL OPERATING REVENUE AND SUPPORT	234,938,122	1,105,798	236,043,920	233,237,222	(2,458,318)	230,778,904
OPERATING EXPENSES						
Program Services:						
Residential	113,643,700	-	113,643,700	118,818,187	-	118,818,187
Community services	88,471,537	-	88,471,537	87,292,732	-	87,292,732
Education	2,913,264	-	2,913,264	3,211,930	-	3,211,930
Vocational	1,374,710	-	1,374,710	1,224,299	-	1,224,299
Total Program Services	206,403,211	-	206,403,211	210,547,148	-	210,547,148
Supporting Services:						
Management and general	28,231,063	-	28,231,063	26,239,342	-	26,239,342
Fundraising	1,533,371	-	1,533,371	1,357,406	-	1,357,406
Total Supporting Services	29,764,434	-	29,764,434	27,596,748	-	27,596,748
TOTAL OPERATING EXPENSES	236,167,645	-	236,167,645	238,143,896	-	238,143,896
CHANGE IN NET ASSETS FROM OPERATIONS	(1,229,523)	1,105,798	(123,725)	(4,906,674)	(2,458,318)	(7,364,992)
NON-OPERATING ACTIVITIES (Note 2L):						
Investment activity (Note 6)	27,086,839	-	27,086,839	(922,227)	-	(922,227)
Less: Amount used for operations (Note 6)	(4,717,242)	(99,755)	(4,816,997)	(5,552,771)	110,015	(5,442,756)
Investment activity over/(under) amounts used for operations	22,369,597	(99,755)	22,269,842	(6,474,998)	110,015	(6,364,983)
TOTAL NON-OPERATING ACTIVITIES	22,369,597	(99,755)	22,269,842	(6,474,998)	110,015	(6,364,983)
CHANGE IN NET ASSETS BEFORE POSTRETIREMENT RELATED CHANGES	21,140,074	1,006,043	22,146,117	(11,381,672)	(2,348,303)	(13,729,975)
Postretirement related changes other than net periodic pension costs (Note 13)	814,206	-	814,206	(234,812)	-	(234,812)
CHANGE IN NET ASSETS	21,954,280	1,006,043	22,960,323	(11,616,484)	(2,348,303)	(13,964,787)
Net assets - beginning of year	88,951,047	17,969,472	106,920,519	100,567,531	20,317,775	120,885,306
NET ASSETS - END OF YEAR	\$ 110,905,327	\$ 18,975,515	\$ 129,880,842	\$ 88,951,047	\$ 17,969,472	\$ 106,920,519

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, 2021
(With Comparative Totals for June 30, 2020)

	Program Services				Total Program Services	Supporting Services			Total 2021	Total 2020
	Residential	Community Services	Education	Vocational		Management and General	Fundraising	Total Supporting Services		
Salaries	\$ 52,715,688	\$ 53,767,372	\$ 1,399,801	\$ 777,259	\$ 108,660,120	\$ 12,269,104	\$ 827,948	\$ 13,097,052	\$ 121,757,172	\$ 122,184,031
Payroll taxes and benefits (Notes 13, 14 and 15)	17,386,132	16,821,609	495,574	147,429	34,850,744	4,959,992	292,148	5,252,140	40,102,884	37,777,645
Total Personnel Costs	70,101,820	70,588,981	1,895,375	924,688	143,510,864	17,229,096	1,120,096	18,349,192	161,860,056	159,961,676
Consulting and professional fees	4,128,275	1,896,241	491,001	358	6,515,875	4,664,937	52,356	4,717,293	11,233,168	13,018,519
Recruiting	119,578	109,552	-	-	229,130	203,265	-	203,265	432,395	751,797
Other contract services	1,414,664	1,446,816	32,754	6,834	2,901,068	1,187,402	39,200	1,226,602	4,127,670	4,443,870
Supplies	2,239,278	307,836	24,801	65,079	2,636,994	212,620	21,896	234,516	2,871,510	3,601,907
Telephone	1,238,744	988,418	38,032	345	2,265,539	630,147	10,950	641,097	2,906,636	2,094,962
Postage and shipping	15,216	10,244	429	2,029	27,918	31,979	8,576	40,555	68,473	64,295
Occupancy (Note 17)	8,471,774	6,650,503	224,349	310,918	15,657,544	1,991,983	93,091	2,085,074	17,742,618	18,282,316
Equipment rental and other costs (Note 17)	168,485	161,743	5,578	-	335,806	53,777	1,348	55,125	390,931	357,539
Vehicle rental (Note 17)	628,652	31,169	-	-	659,821	11,052	-	11,052	670,873	718,901
Outside print and artwork	11,769	1,535	-	-	13,304	8,863	3,657	12,520	25,824	35,742
Staff travel and other	59,994	38,644	125	2,401	101,164	3,636	1,000	4,636	105,800	415,002
Conferences and conventions	41,414	15,892	404	-	57,710	66,795	124,695	191,490	249,200	505,967
Specific assistance	15,080,359	597,049	2,390	-	15,679,798	605	10,465	11,070	15,690,868	17,912,429
Membership dues	95,070	23,196	1,393	-	119,659	32,683	500	33,183	152,842	122,727
Repairs and maintenance	1,846,881	211,675	12,259	330	2,071,145	23,656	181	23,837	2,094,982	1,946,916
Interest (Note 2H)	1,031,942	214,591	-	-	1,246,533	477,000	-	477,000	1,723,533	1,836,451
Medicaid facility tax assessment (Note 2I)	650,520	-	-	-	650,520	-	-	-	650,520	747,377
General insurance	2,887,011	1,676,770	67,760	-	4,631,541	299,081	20,355	319,436	4,950,977	2,938,874
Depreciation and amortization (Note 8)	3,287,580	1,165,820	116,416	57,179	4,626,995	781,769	1,686	783,455	5,410,450	6,479,004
Bad debt (Note 2D)	2,775	2,259,056	-	-	2,261,831	-	-	-	2,261,831	1,298,826
Miscellaneous	121,899	75,806	198	4,549	202,452	320,717	23,319	344,036	546,488	814,708
	113,643,700	88,471,537	2,913,264	1,374,710	206,403,211	28,231,063	1,533,371	29,764,434	236,167,645	238,349,805
Less: Special event direct expenses	-	-	-	-	-	-	-	-	-	(205,909)
TOTAL EXPENSES	\$ 113,643,700	\$ 88,471,537	\$ 2,913,264	\$ 1,374,710	\$ 206,403,211	\$ 28,231,063	\$ 1,533,371	\$ 29,764,434	\$ 236,167,645	\$ 238,143,896

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

	Program Services				Total Program Services	Supporting Services			Total 2020
	Residential	Community Services	Education	Vocational		Management and General	Fundraising	Total Supporting 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
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
Total Personnel Costs	73,281,508	66,967,956	2,013,689	1,096,651	143,359,804	15,523,942	1,077,930	16,601,872	159,961,676
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
Recruiting	223,204	97,650	-	-	320,854	430,943	-	430,943	751,797
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
Supplies	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	5,514	1,887,416	199,291	8,255	207,546	2,094,962
Postage and shipping	18,528	11,402	195	2,326	32,451	23,837	8,007	31,844	64,295
Occupancy (Note 17)	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 (Note 17)	144,556	155,324	5,558	-	305,438	50,972	1,129	52,101	357,539
Vehicle rental (Note 17)	675,484	29,966	-	-	705,450	13,451	-	13,451	718,901
Outside print and artwork	12,971	10,566	190	-	23,727	9,890	2,125	12,015	35,742
Staff travel and other	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	2,276	175,531	111,746	218,690	330,436	505,967
Specific assistance	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	-	102,327	20,400	-	20,400	122,727
Repairs and maintenance	1,712,208	188,801	10,022	10,166	1,921,197	25,374	345	25,719	1,946,916
Interest (Note 2H)	968,073	112,548	-	-	1,080,621	755,830	-	755,830	1,836,451
Medicaid facility tax assessment (Note 2I)	747,377	-	-	-	747,377	-	-	-	747,377
General insurance	1,793,762	954,704	39,374	-	2,787,840	140,506	10,528	151,034	2,938,874
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
Bad debt (Note 2D)	-	1,298,826	-	-	1,298,826	-	-	-	1,298,826
Miscellaneous	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	1,224,299	210,547,148	26,239,342	1,563,315	27,802,657	238,349,805
Less: Special event direct expenses	-	-	-	-	-	-	(205,909)	(205,909)	(205,909)
TOTAL EXPENSES	\$ 118,818,187	\$ 87,292,732	\$ 3,211,930	\$ 1,224,299	\$ 210,547,148	\$ 26,239,342	\$ 1,357,406	\$ 27,596,748	\$ 238,143,896

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, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 22,960,323	\$ (13,964,787)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	5,410,450	6,479,004
Postretirement related changes other than net periodic pension costs	814,206	(234,812)
Bad debt	2,261,831	1,298,826
Non cash debt issuance interest expense	78,976	78,976
Discount on contributions receivable	(34,529)	(34,529)
Change in value of split-interest agreements	5,424	5,424
Net realized and unrealized (gain) loss on investments	(25,769,031)	2,870,235
Subtotal	(17,232,673)	10,463,124
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	(5,758,866)	(10,504,261)
Contributions receivable	93,485	(592,812)
Prepaid expenses and other assets	(311,445)	567,460
Gain on sale of fixed assets	(3,857,320)	-
(Decrease) increase in liabilities:		
Accounts payable and accrued expenses	(1,973,615)	(2,547,758)
Accrued salaries and related benefits	3,652,678	1,269,394
Accrued vacation	(31,296)	633,221
Accrued postretirement benefits	(1,750,369)	428,278
Other pension liabilities	424,057	208,574
Deferred rent	(60,170)	(288,500)
Deferred revenues	6,832,728	1,577,222
Due to government agencies	(445,593)	(4,449,680)
Operating lease payment	(49,769)	-
Net cash provided by (used in) operating activities	2,492,155	(17,200,525)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(25,233,682)	(10,396,824)
Proceeds from sales of investments	23,541,599	28,097,256
Proceeds from sales of fixed assets	4,568,380	-
Purchases of fixed assets	(3,328,062)	(2,554,253)
Net cash (used in) provided by investing activities	(451,765)	15,146,179
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of bank lines of credit	(53,000,000)	(40,000,000)
Proceeds from borrowings of bank lines of credit	51,000,000	41,000,000
Repayments of IDA bonds payable	(7,645,970)	(1,612,120)
Forgiveness on loan payable	(287,500)	-
Proceeds from loans payable	10,229,935	287,500
Repayments of other long-term debt	(741,264)	(4,497,894)
Proceeds from borrowings of other long-term debt	-	2,329,403
Net cash used in financing activities	(444,799)	(2,493,111)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,595,591	(4,547,457)
Cash and cash equivalents - beginning of year	2,878,118	7,425,575
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 4,473,709	\$ 2,878,118
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for interest	\$ 1,644,557	\$ 1,757,475

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, 2021 AND 2020

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

For more than 140 years, 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 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 adults 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 accompanying consolidated financial statements include the accounts of The Jewish Board and the Subsidiary (collectively "the Agency"). 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.

JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- B. *Basis of Presentation*** – The Agency maintains its net assets under the following two classes:
- Without donor restrictions – This represents resources available for support of the Agency'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 Agency is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled and removed by actions of the Agency 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 Agency 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 \$708,000 and \$609,000 as of June 30, 2021 and 2020. Such amounts are also included in accounts payable and accrued expense in the accompanying consolidated financial statements.
- D. *Allowance for Uncollectible Receivables*** – The Agency 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, 2021 and 2020, The Agency determined an allowance of \$1,101,909 and \$1,196,027 was 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 Agency 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, 2021 AND 2020

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, 2021 and 2020 amounted to \$263,753 and \$257,613, and consisted of investments in money market funds and bond mutual funds. As of June 30, 2021 and 2020, the assets and liabilities associated with these agreements are included in prepaid expenses and other assets, and accounts payable and accrued expenses, respectively, in the accompanying consolidated statements of financial position.

I. *Government Support* – The Agency 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 in-kind 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 \$648,028 and \$837,191 for the years ended June 30, 2021 and 2020, 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 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
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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- M. *Deferred Rent*** – The Agency leases real property under various operating leases. The leases include rent escalations. Since the rent increases over time, the Agency 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.
- O. *Recent Accounting Pronouncements*** – The Agency adopted Financial Accounting Standards Board (“FASB”) ASU 2016-02, *Leases* (Topic 842) for the year ended June 30, 2021. The ASU requires organizations that lease assets to recognize the present value of the assets and liabilities for the rights and obligations created by those leases. The Agency adopted Topic 842 for the fiscal year ended June 30, 2021, which required the recognition of lease assets and liabilities as of that date. The lease assets and liabilities on June 30, 2021 totaled \$44,614,286 and \$44,564,517, respectively. The lease asset amount is determined using the lease liability less amounts previously paid or accrued. The adoption of Topic 842 had no effect on the change in net assets as previously reported.
- P. *Reclassification*** – Certain line items in the June 30, 2020 financial statements were reclassified to the June 30, 2021 presentation. These changes had no impact on the change in net assets for the year ended June 30, 2020.

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:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 4,473,709	\$ 2,878,118
Accounts receivable, net	48,794,938	45,297,903
Contributions receivable, net	2,075,126	2,134,082
Investments	114,950,250	87,489,136
Net assets with donor restrictions	<u>(18,975,515)</u>	<u>(17,969,472)</u>
Total financial assets	<u>\$ 151,318,508</u>	<u>\$ 119,829,767</u>

The Agency has budgeted at breakeven which will allow expenses to be covered by income. In order to manage liquidity, The Agency 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:

	<u>2021</u>	<u>2020</u>
Due from the City of New York	\$ 15,194,590	\$ 13,634,705
Due from the State of New York	23,716,357	22,736,927
Due from other sources	<u>10,985,900</u>	<u>10,122,298</u>
	49,896,847	46,493,930
Less: allowance for doubtful accounts	<u>(1,101,909)</u>	<u>(1,196,027)</u>
	<u>\$ 48,794,938</u>	<u>\$ 45,297,903</u>

JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

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:

	<u>2021</u>	<u>2020</u>
One year or less	\$ 1,050,000	\$ 587,500
One to five years	<u>1,091,101</u>	<u>1,626,102</u>
	2,141,101	2,213,602
Less: Discount to present value	<u>(65,975)</u>	<u>(79,520)</u>
	<u>\$ 2,075,126</u>	<u>\$ 2,134,082</u>

NOTE 6 – INVESTMENTS

Investments consist of the following as of June 30:

	<u>2021</u>	<u>2020</u>
Money market funds	\$ 1,172,593	\$ 1,440,284
Equities	15,576,270	10,453,398
Mutual funds	80,759,867	60,162,216
Alternative investments	<u>17,441,520</u>	<u>15,433,238</u>
	<u>\$ 114,950,250</u>	<u>\$ 87,489,136</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>2021</u>	<u>2020</u>
Realized gain (loss)	\$ 2,331,989	\$ (1,117,276)
Unrealized gain (loss)	<u>23,437,042</u>	<u>(1,752,959)</u>
Net realized and unrealized activity	25,769,031	(2,870,235)
Interest and dividends	1,803,313	2,405,499
Investment fees	<u>(485,505)</u>	<u>(457,491)</u>
Total investment activity	<u>\$ 27,086,839</u>	<u>\$ (922,227)</u>
Designation:		
Amount used for operations	\$ 4,816,997	\$ 5,442,756
Amount considered non-operating	<u>22,269,842</u>	<u>(6,364,983)</u>
Total	<u>\$ 27,086,839</u>	<u>\$ (922,227)</u>

JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 6 – INVESTMENTS (Continued)

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.

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, 2021 and 2020, there were no transfers in or out of levels.

Financial assets carried at fair value as of June 30, 2021 are classified in the table as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Money market funds	\$ 1,172,593	\$ -	\$ 1,172,593
Equities:			
Domestic	15,576,270	-	15,576,270
Mutual funds:			
Domestic	35,835,495	-	35,835,495
International	19,567,096	12,934,038	32,501,134
Corporate bonds	<u>12,423,238</u>	<u>-</u>	<u>12,423,238</u>
Subtotal	<u>\$ 84,574,692</u>	<u>\$ 12,934,038</u>	97,508,730
Assets using NAV as practical expedient:			
Diversified inflation hedges			9,932,190
Hedge funds			6,240,122
Limited partnerships			<u>1,269,208</u>
Total			<u>\$ 114,950,250</u>

JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 7 – FAIR VALUE MEASUREMENTS (Continued)

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>
Subtotal	<u>\$ 62,386,703</u>	<u>\$ 9,669,195</u>	72,055,898
Assets using NAV as practical expedient:			
Diversified inflation hedges			9,842,930
Hedge funds			5,394,691
Limited partnerships			<u>195,617</u>
Total			<u>\$ 87,489,136</u>

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

	<u>2021</u>	<u>2020</u>	<u>Unfunded</u> <u>Commitments</u>	<u>Redemption</u> <u>Frequency</u>	<u>Redemption</u> <u>Notice Period</u>
Diversified inflation funds	\$ 9,932,190	\$ 9,842,930	None	Immediately	10 days
Hedge funds	6,240,122	5,394,691	None	Immediately	10-90 days
Limited partnerships	<u>1,269,208</u>	<u>195,617</u>	None	Immediately	90 days
	<u>\$ 17,441,520</u>	<u>\$ 15,433,238</u>			

NOTE 8 – PROPERTY AND EQUIPMENT

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

	<u>2021</u>	<u>2020</u>	<u>Estimated</u> <u>Useful Lives</u>
Land	\$ 17,471,606	\$ 17,512,605	
Building and building improvements	96,388,005	98,348,587	15-50 years
Leasehold improvements	5,531,958	5,513,244	5-40 years
Furniture and equipment	35,219,402	33,606,142	3-10 years
Construction in progress (see below)	<u>2,748,163</u>	<u>1,402,228</u>	
	157,359,134	156,382,806	
Less accumulated depreciation and amortization	<u>(96,450,302)</u>	<u>(92,680,526)</u>	
	<u>\$ 60,908,832</u>	<u>\$ 63,702,280</u>	

Depreciation and amortization expense amounted to \$5,410,450 and \$6,479,004 for the years ended June 30, 2021 and 2020, respectively. During the years ended June 30, 2021 and 2020, \$436,550 and \$344,276 of fully depreciated equipment was written off, respectively. During the year ended June 30, 2021, The Jewish Board sold a building for approximately \$4.6M, resulting in a gain of approximately \$3.9M.

Construction in progress consists of renovations at various facilities with an estimated cost of completion of approximately \$1.8 million as of June 30, 2021. The projects are expected to be completed in the upcoming fiscal year.

JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

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, 2021 and 2020.

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.

The Jewish Board redeemed \$1,480,000 of these obligations in connection with the sale of its headquarters building in 2009. As of June 30, 2021, the Jewish Board had fully paid off the IDA bonds.

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.

JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 10 – OTHER LONG-TERM DEBT (Continued)

<u>Description</u>	<u>2021</u>	<u>2021</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%. (a)	\$ -	\$ 57,109	2020
Mortgage payable to DASNY in semi-annual installments of \$174,574. The interest rate is 7.5%. (a)	-	168,265	2020
Note payable to a bank in monthly installments of \$23,065. The interest rate is 3.89%. (b)	-	230,639	2021
Mortgage payable to DASNY in semi-annual installments of \$187,894. The interest rate is 5.88%. (a)	359,834	699,397	2022
Mortgage payable to DASNY in semi-annual installments of \$138,933. The interest rate is 7.15%. (a)	625,967	847,151	2023
Mortgage payable to DASNY in semi-annual installments of \$259,630. The interest rate is 4.95%. (a)	1,198,054	1,646,335	2023
Mortgage payable to a bank monthly installments of \$7,553. The interest rate is 4.46%. (b)	621,660	683,967	2029
Mortgage payable to DASNY in semi-annual installments of \$213,755. The interest rate is 4.95%. (a)	3,468,687	3,715,432	2031
Mortgage payable to DASNY in semi-annual installments of \$37,235. The interest rate is 5.05%. (a)	603,363	643,814	2031
Mortgage payable to DASNY in semi-annual installments of \$60,350. The interest rate is 5.01%. (a)	1,048,803	1,111,492	2032
Mortgage payable to a bank monthly installments of \$10,049. The interest rate is 5.77%. (b)	1,492,102	1,524,329	2033
Mortgage payable to DASNY in semi-annual installments of \$98,540. The interest rate is 4.02%. (a)	2,037,524	2,149,252	2034
State aid grant payable to DASNY in monthly installments of \$425. No interest is imputed. (a)	96,836	101,933	2026
Equipment lease to a bank monthly installments of \$19,788. The interest rate is 5.27%. (a)	440,274	-	2026
Equipment lease to a bank monthly installments of \$19,788. The interest rate is 2.67%. (a)	<u>922,211</u>	<u>-</u>	2026
	12,915,315	13,579,115	
Less: debt issuance costs:	<u>(205,116)</u>	<u>(206,628)</u>	
	<u>\$ 12,710,199</u>	<u>\$ 13,372,487</u>	

JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

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, 2021, 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, 2021 and thereafter:

2022	\$	1,927,141
2023		1,648,916
2024		1,331,745
2025		1,005,640
2026		919,855
Thereafter		<u>6,082,018</u>
	\$	<u>12,915,315</u>

In July 2021, The Jewish Board entered into a financing loan agreement with TD Bank. Total loan proceeds amounted to \$17,000,000 and bear interest at a rate of 3.55%. Principal loan repayments begin in August 2026 and the loan matures July 1, 2031. Part of the loan proceeds were used to replenish cash balances for funds used to pay down the IDA Bonds. Additionally the lines of credit cap was reduced by \$10,000,000.

NOTE 11 – BANK LINES OF CREDIT

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

	<u>2021</u>	<u>2020</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.	\$ 18,000,000	\$ 23,000,000	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>7,000,000</u>	<u>4,000,000</u>	2022
	<u>\$ 25,000,000</u>	<u>\$ 27,000,000</u>	

There are certain financial covenants associated with the bank lines of credit. As of June 30, 2021, The Jewish Board was in compliance with those covenants. As of June 30, 2020, 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 Security 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.

JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 12 – LOAN PAYABLE (Continued)

During the year ended June 30, 2020, 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. For the year ended June 30, 2020, Alpha Workshops 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”. Alpha Workshops received full forgiveness on the loan in June 2021, and recognized the grant revenue in the consolidated statements of activities.

During the year ended June 30, 2021, The Jewish Board and The Alpha Workshops applied for the second round of PPP loans through SBA authorized lenders. The loans amounting to \$10,000,000 and \$229,935, respectively, were approved and received in April 2021 and February 2021, respectively. The Jewish Board and Alpha Workshops have opted to account for the proceeds as loans under FASB ASC 470 *Debt*, until the loans are, in part or wholly, forgiven and the entities have been “legally released”.

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:

	2021	2020
Change in benefit obligation:		
Benefit obligation at beginning of the year	\$ 10,457,009	\$ 10,263,633
Service cost	133,714	146,852
Interest cost	242,384	323,806
Actuarial (gain)/loss	(842,936)	181,811
Benefits paid	(469,235)	(459,003)
Benefit obligation at end of the year	9,520,936	10,457,099
Fair value of plan assets	-	-
Unfunded status	\$ 9,520,936	\$ 10,457,099

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

	2021	2020
Service cost	\$ 133,714	\$ 146,852
Interest cost	242,384	323,806
Amortization of actuarial gain	(57,641)	(76,749)
Net periodic cost	\$ 318,457	\$ 393,909

For the years ended June 30, 2021 and 2020, the amounts recognized in net assets without donor restrictions were cumulative actuarial gain/(loss) of \$814,206 and (\$234,812), respectively.

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

	2021	2020
Benefit Obligation:		
Discount rate	2.50%	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%	2.39%
Expected return on plan assets	N/A	N/A
Rate of compensation increase	N/A	N/A

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NOTE 13 – ACCRUED POSTRETIREMENT BENEFITS (Continued)

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

2022	\$	627,000
2023		640,000
2024		639,000
2025		631,000
2026		625,000
Thereafter		<u>2,898,000</u>
		<u>\$ 6,060,000</u>

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 \$38,209 as of June 30, 2021, and the aggregate of the service and interest cost components of net periodic postretirement benefit cost for the year then ended by \$1,101. Decreasing the assumed health care cost trend rates by 1% would decrease the accumulated postretirement benefit obligation by \$35,220 as of June 30, 2021, and the aggregate of the service and interest cost components of net periodic postretirement benefit cost for the year then ended by \$1,010.

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 \$156,000 and \$181,000 for the years ended June 30, 2021 and 2020 to the SERP, respectively. The fair value of the plans' assets and resulting liabilities aggregated to approximately \$3,400,000 and \$2,900,000, as of June 30, 2021 and 2020, 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 United Jewish Appeal-Federation of Jewish Philanthropies of New York, Inc. (“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 approximately 76% funded using the most recent financial information as of September 30, 2020. 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 \$5,613,000 and \$5,572,000 for the years ended June 30, 2021 and 2020, 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.

JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 16 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)

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.

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 both June 30, 2021 and 2020. 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, 2021 and 2020, the endowment funds were not underwater.

The change in endowment net assets for the year ended June 30, 2021 is as follows:

	<u>With Donor Restriction</u>	<u>Perpetual in Nature</u>	<u>Total</u>
Investment activity gain	\$ 1,425,073	\$ -	\$ 1,425,073
Appropriated by the Board of Trustees	<u>(99,755)</u>	<u>-</u>	<u>(99,755)</u>
Net change	1,325,318	-	1,325,318
Balance, beginning of year	<u>866,966</u>	<u>6,565,209</u>	<u>7,432,175</u>
Balance, end of year	<u>\$ 2,192,284</u>	<u>\$ 6,565,209</u>	<u>\$ 8,757,493</u>

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

	<u>With Donor Restriction</u>	<u>Perpetual in Nature</u>	<u>Total</u>
Investment activity gain	\$ -	\$ -	\$ -
Appropriated by the Board of Trustees	<u>-</u>	<u>-</u>	<u>-</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>

JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 16 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)

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

	<u>2021</u>	<u>2020</u>
Endowment fund – perpetual in nature	\$ 6,565,209	\$ 6,565,209
Educational services for children (including time restricted)	6,361,457	7,070,960
Residential	2,347,164	2,352,527
Community services	1,461,414	1,065,822
Unappropriated earnings on endowment funds	2,192,284	866,966
Other	<u>47,987</u>	<u>47,988</u>
	<u>\$ 18,975,515</u>	<u>\$ 17,969,472</u>

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

	<u>2021</u>	<u>2020</u>
Residential	\$ 5,439	\$ 413,127
Community services	415	723,008
Education	330,421	1,231,070
Other	<u>-</u>	<u>3,088</u>
	<u>\$ 336,275</u>	<u>\$ 2,370,293</u>

NOTE 17 – OPERATING LEASES

The Agency has entered into several operating lease agreements through fiscal 2030 for facilities (which include payment of property taxes, insurance maintenance costs and rental payments) and for copying/printing equipment. Certain leases include rent escalations. The Agency assesses whether an arrangement qualifies as a lease at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. As a result, adopting FASB ASC 842 had no impact to prior year consolidated statement of financial position information, and because these leases are operating leases, the adoption of the standard has no impact on the Agency's change in net assets. Comparative information provided in the following paragraphs was determined using the accounting principles in effect as of and the for the year ended June 30, 2021 (i.e. ASC 840). No comparative information is provided for the amounts reported on the statements of financial position as of June 30, 2020 since the Agency used the modified retrospective method of transition that does not require restating the prior period.

As of June 30, 2021, the right-of-use ("ROU") asset had a balance of \$44,614,286 and the lease liability totaled \$44,564,517, as shown in the consolidated statement of financial position. The lease liabilities were calculated utilizing the Agency's incremental borrowing rate of 3.55% for leases in effect at the initial adoption date of July 1, 2020.

Future minimum payments for non-cancelable operating leases for the next five years ending after June 30, 2021 and thereafter are as follows:

2022	\$ 17,782,231
2023	9,856,590
2024	5,980,217
2025	5,118,844
2026	4,071,104
Thereafter	<u>5,249,709</u>
Total lease payments	48,058,695
Less: Present value discount	<u>(3,494,178)</u>
Present value of lease liabilities	<u>\$ 44,564,517</u>

JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 17 – OPERATING LEASES (Continued)

Rent expense under the operating leases amounted to approximately \$17,643,000 and \$18,282,000 for the years ended June 30, 2021 and 2020, respectively.

NOTE 18 – COMMITMENTS AND CONTINGENCIES

- A. The Jewish Board, in the ordinary course of business, is exposed to various potential claims and assessments. The Jewish Board is also subject to legal proceedings and claims which have arisen in part because New York State has temporarily suspended certain statutes of limitations. These complaints and allegations date from 1963 to 2019, with the majority dating between the 1970s and 1980s. These claims and assessments have not been fully adjudicated. As of June 30, 2021, management cannot determine the final outcome of these claims and has not recorded any liability in the consolidated financial statements.
- B. 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.

- C. The Agency believes it has no uncertain tax positions as of June 30, 2021 and 2020 in accordance with ASC Topic 740, "Income Taxes," which provides standards for establishing and classifying any tax provisions for uncertain tax positions.
- D. The COVID-19 pandemic remains an ongoing situation. The extent of the impact of COVID-19 on The Agency'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. The Agency continues to monitor evolving economic and general business conditions and the actual and potential impacts on its financial position and results of operations.

NOTE 19 – CONCENTRATIONS

- A. Cash and cash equivalents that potentially subject the Agency 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, 2021 and 2020, there was approximately \$4.6 million and \$3.8 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, 2021 and 2020. 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, 2021 and 2020, The Jewish Board estimated approximately 47% of its employees are covered under collective bargaining agreements.

JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 20 – 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.

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, 2021 and 2020. 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>2021</u>	<u>2020</u>
Residential	\$ 82,285,379	\$ 78,853,331
Clinic	43,472,852	35,352,651
Case Management	7,626,685	9,214,350
Community Based Services	141,072	5,060,785
Early Childhood	4,595,316	4,042,603
Other	259,284	2,219,647
	<u>\$ 138,380,588</u>	<u>\$ 134,743,367</u>

NOTE 21 – 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.

JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 21 – MEDICAL SELF-INSURANCE (Continued)

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, 2021 and 2020 is below:

	2021	2020
Balance, beginning of year	\$ 342,592	\$ 1,498,794
Claim estimate	23,161,637	20,185,236
Claims and expenses paid	(23,003,656)	(21,341,438)
Balance, end of year	\$ 500,573	\$ 342,592

NOTE 22 – SUBSEQUENT EVENTS

Management has evaluated for potential recognition and disclosure, events subsequent to the date of the consolidated statement of financial position through November 29, 2021, 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, 2021

ASSETS	<u>The Jewish Board</u>	<u>The Alpha Workshops</u>	<u>Elimination Entries</u>	<u>Consolidated Total</u>
Cash and cash equivalents	\$ 4,271,769	\$ 201,940	\$ -	\$ 4,473,709
Accounts receivable, net	48,728,399	66,539	-	48,794,938
Due from related entity	1,561,071	-	(1,561,071)	-
Contributions receivable, net	2,075,126	-	-	2,075,126
Investments, including supplementary retirement plan	114,950,250	-	-	114,950,250
Prepaid expenses and other assets	6,734,948	55,904	-	6,790,852
Operating lease right -of-use assets	43,882,930	731,356	-	44,614,286
Property and equipment, net	<u>60,833,359</u>	<u>75,473</u>	<u>-</u>	<u>60,908,832</u>
TOTAL ASSETS	<u>\$ 283,037,852</u>	<u>\$ 1,131,212</u>	<u>\$ (1,561,071)</u>	<u>\$ 282,607,993</u>
LIABILITIES				
Accounts payable and accrued expenses	\$ 3,715,818	72,087	\$ -	\$ 3,787,905
Due to related entity	-	1,561,071	(1,561,071)	-
Accrued salaries and related benefits	10,572,788	117,489	-	10,690,277
Accrued vacation	6,099,491	-	-	6,099,491
Accrued postretirement benefits	9,520,936	-	-	9,520,936
Other pension liabilities	3,371,337	-	-	3,371,337
Deferred revenues	10,664,380	-	-	10,664,380
Due to government agencies	16,088,174	-	-	16,088,174
Bank lines of credit	25,000,000	-	-	25,000,000
Loan payable	10,000,000	229,935	-	10,229,935
Other long-term debt	12,710,199	-	-	12,710,199
Lease liability	<u>43,696,196</u>	<u>868,321</u>	<u>-</u>	<u>44,564,517</u>
TOTAL LIABILITIES	<u>151,439,319</u>	<u>2,848,903</u>	<u>(1,561,071)</u>	<u>152,727,151</u>
NET ASSETS				
Without donor restrictions:				
Invested in property and equipment	48,123,160	75,473	-	48,198,633
Available for operations	<u>64,544,940</u>	<u>(1,838,246)</u>	<u>-</u>	<u>62,706,694</u>
Total without donor restrictions	<u>112,668,100</u>	<u>(1,762,773)</u>	<u>-</u>	<u>110,905,327</u>
With donor restrictions:				
Perpetual in nature	6,565,209	-	-	6,565,209
Time and purpose restricted	<u>12,365,224</u>	<u>45,082</u>	<u>-</u>	<u>12,410,306</u>
With donor restrictions	<u>18,930,433</u>	<u>45,082</u>	<u>-</u>	<u>18,975,515</u>
TOTAL NET ASSETS	<u>131,598,533</u>	<u>(1,717,691)</u>	<u>-</u>	<u>129,880,842</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 283,037,852</u>	<u>\$ 1,131,212</u>	<u>\$ (1,561,071)</u>	<u>\$ 282,607,993</u>

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

ASSETS	The Jewish Board	The Alpha Workshops	Elimination Entries	Consolidated Total
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	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>
TOTAL ASSETS	\$ 208,967,647	\$ 394,412	\$ (1,375,709)	\$ 207,986,350
LIABILITIES				
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
Deferred revenues	3,831,652	-	-	3,831,652
Due to government agencies	16,533,767	-	-	16,533,767
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>
TOTAL LIABILITIES	100,602,775	1,838,765	(1,375,709)	101,065,831
NET ASSETS				
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>
TOTAL NET ASSETS	108,364,872	(1,444,353)	-	106,920,519
TOTAL LIABILITIES AND NET ASSETS	\$ 208,967,647	\$ 394,412	\$ (1,375,709)	\$ 207,986,350

JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	The Jewish Board			The Alpha Workshops			Consolidated Total			
	Without Donor Restriction	With Donor Restriction	Total 2021	Without Donor Restriction	With Donor Restriction	Total 2021	Elimination Entries	Without Donor Restriction	With Donor Restriction	Consolidated Total 2021
OPERATING REVENUE AND SUPPORT										
Program service fees	\$ 138,380,588	\$ -	\$ 138,380,588	-	\$ -	\$ -	\$ -	\$ 138,380,588	\$ -	\$ 138,380,588
Government grants	73,092,837	-	73,092,837	750,686	-	750,686	-	73,843,523	-	73,843,523
Contributions	6,130,321	17,000	6,147,321	211,900	-	211,900	-	6,342,221	17,000	6,359,221
United Jewish Appeal-Federation of Jewish Philanthropies of New York, Inc.	7,006,991	-	7,006,991	-	-	-	-	7,006,991	-	7,006,991
Donated services	648,028	-	648,028	-	-	-	-	648,028	-	648,028
Rentals and other income	4,631,030	-	4,631,030	477,542	-	477,542	(120,000)	4,988,572	-	4,988,572
Investment income used for operations	3,391,924	1,425,073	4,816,997	-	-	-	-	3,391,924	1,425,073	4,816,997
Net assets released from restrictions	336,275	(336,275)	-	-	-	-	-	336,275	(336,275)	-
TOTAL OPERATING REVENUE AND SUPPORT	233,617,994	1,105,798	234,723,792	1,440,128	-	1,440,128	(120,000)	234,938,122	1,105,798	236,043,920
OPERATING EXPENSES										
Program Services:										
Residential	113,643,700	-	113,643,700	-	-	-	-	113,643,700	-	113,643,700
Community services	88,471,537	-	88,471,537	-	-	-	-	88,471,537	-	88,471,537
Education	2,913,264	-	2,913,264	-	-	-	-	2,913,264	-	2,913,264
Vocational	-	-	-	1,374,710	-	1,374,710	-	1,374,710	-	1,374,710
Total Program Services	205,028,501	-	205,028,501	1,374,710	-	1,374,710	-	206,403,211	-	206,403,211
Supporting Services:										
Management and general	28,021,871	-	28,021,871	329,192	-	329,192	(120,000)	28,231,063	-	28,231,063
Fundraising	1,523,807	-	1,523,807	9,564	-	9,564	-	1,533,371	-	1,533,371
Total Supporting Services	29,545,678	-	29,545,678	338,756	-	338,756	(120,000)	29,764,434	-	29,764,434
TOTAL OPERATING EXPENSES	234,574,179	-	234,574,179	1,713,466	-	1,713,466	(120,000)	236,167,645	-	236,167,645
CHANGE IN NET ASSETS FROM OPERATIONS	(956,185)	1,105,798	149,613	(273,338)	-	(273,338)	-	(1,229,523)	1,105,798	(123,725)
NON-OPERATING ACTIVITIES										
Investment activity	27,086,839	-	27,086,839	-	-	-	-	27,086,839	-	27,086,839
Less: Amount used for operations	(4,717,242)	(99,755)	(4,816,997)	-	-	-	-	(4,717,242)	(99,755)	(4,816,997)
Investment activity over/(under) amounts used for operations	22,369,597	(99,755)	22,269,842	-	-	-	-	22,369,597	(99,755)	22,269,842
TOTAL NON-OPERATING ACTIVITIES	22,369,597	(99,755)	22,269,842	-	-	-	-	22,369,597	(99,755)	22,269,842
CHANGE IN NET ASSETS BEFORE POSTRETIREMENT RELATED CHANGES	21,413,412	1,006,043	22,419,455	(273,338)	-	(273,338)	-	21,140,074	1,006,043	22,146,117
Postretirement related changes other than net periodic costs	814,206	-	814,206	-	-	-	-	814,206	-	814,206
CHANGE IN NET ASSETS	22,227,618	1,006,043	23,233,661	(273,338)	-	(273,338)	-	21,954,280	1,006,043	22,960,323
Net assets - beginning of year	90,440,482	17,924,390	108,474,887	(1,489,435)	45,082	(1,444,353)	-	88,951,047	17,969,472	106,920,519
NET ASSETS - END OF YEAR	\$ 112,668,100	\$ 18,930,433	\$ 131,708,548	\$ (1,762,773)	\$ 45,082	\$ (1,717,691)	\$ -	\$ 110,905,327	\$ 18,975,515	\$ 129,880,842

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, 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
OPERATING REVENUE AND SUPPORT										
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	-	5,552,771	-	-	-	-	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)	-
TOTAL OPERATING REVENUE AND SUPPORT	<u>232,205,368</u>	<u>(2,348,303)</u>	<u>229,857,065</u>	<u>1,151,854</u>	<u>-</u>	<u>1,151,854</u>	<u>(120,000)</u>	<u>233,237,222</u>	<u>(2,458,318)</u>	<u>230,778,904</u>
OPERATING EXPENSES										
Program Services:										
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
Total Program Services	<u>209,322,849</u>	<u>-</u>	<u>209,322,849</u>	<u>1,224,299</u>	<u>-</u>	<u>1,224,299</u>	<u>-</u>	<u>210,547,148</u>	<u>-</u>	<u>210,547,148</u>
Supporting Services:										
Management and general	25,601,443	-	25,601,443	757,899	-	757,899	(120,000)	26,239,342	-	26,119,342
Fundraising	1,354,294	-	1,354,294	3,112	-	3,112	-	1,357,406	-	1,357,406
Total Supporting Services	<u>26,955,737</u>	<u>-</u>	<u>26,955,737</u>	<u>761,011</u>	<u>-</u>	<u>761,011</u>	<u>(120,000)</u>	<u>27,596,748</u>	<u>-</u>	<u>27,596,748</u>
TOTAL OPERATING EXPENSES	<u>236,278,586</u>	<u>-</u>	<u>236,278,586</u>	<u>1,985,310</u>	<u>-</u>	<u>1,985,310</u>	<u>(120,000)</u>	<u>238,143,896</u>	<u>-</u>	<u>238,143,896</u>
CHANGE IN NET ASSETS FROM OPERATIONS	<u>(4,073,218)</u>	<u>(2,458,318)</u>	<u>(6,421,521)</u>	<u>(833,456)</u>	<u>-</u>	<u>(833,456)</u>	<u>-</u>	<u>(4,906,674)</u>	<u>(2,458,318)</u>	<u>(7,364,992)</u>
NON-OPERATING ACTIVITIES										
Investment activity	(922,227)	-	(922,227)	-	-	-	-	(922,227)	-	(922,227)
Less: Amount used for operations	(5,552,771)	-	(5,442,756)	-	-	-	-	(5,552,771)	110,015	(5,442,756)
Investment activity over/(under) amounts used for operations	(6,474,998)	-	(6,364,983)	-	-	-	-	(6,474,998)	110,015	(6,364,983)
TOTAL NON-OPERATING ACTIVITIES	<u>(6,474,998)</u>	<u>-</u>	<u>(6,364,983)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,474,998)</u>	<u>110,015</u>	<u>(6,364,983)</u>
CHANGE IN NET ASSETS BEFORE POSTRETIREMENT RELATED CHANGES	<u>(10,548,216)</u>	<u>(2,458,318)</u>	<u>(12,786,504)</u>	<u>(833,456)</u>	<u>-</u>	<u>(833,456)</u>	<u>-</u>	<u>(11,381,672)</u>	<u>(2,348,303)</u>	<u>(13,729,975)</u>
Postretirement related changes other than net periodic costs	(234,812)	-	(234,812)	-	-	-	-	(234,812)	-	234,812
CHANGE IN NET ASSETS	<u>(10,783,028)</u>	<u>(2,348,303)</u>	<u>(13,021,316)</u>	<u>(833,456)</u>	<u>-</u>	<u>(833,456)</u>	<u>-</u>	<u>(11,616,484)</u>	<u>(2,348,303)</u>	<u>(13,964,787)</u>
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
NET ASSETS - END OF YEAR	<u>\$ 90,440,482</u>	<u>\$ 17,924,390</u>	<u>\$ 108,474,887</u>	<u>\$ (1,489,435)</u>	<u>\$ 45,082</u>	<u>\$ (1,444,353)</u>	<u>\$ -</u>	<u>\$ 88,951,047</u>	<u>\$ 17,969,472</u>	<u>\$ 106,920,519</u>

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, 2021

	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	\$ 52,715,688	\$ 53,767,372	\$ 1,399,801	\$ 12,145,303	\$ 827,948	\$ 120,856,112	\$ 777,259	\$ 123,801	\$ -	\$ 901,060	\$ 52,715,688	\$ 53,767,372	\$ 1,399,801	\$ 777,259	\$ 108,660,120	\$ -	\$ 12,269,104	\$ 827,948	\$ 13,097,052	\$ 121,757,172
Payroll taxes and benefits	17,386,132	16,821,609	495,574	4,924,953	292,148	39,920,416	147,429	35,039	-	182,468	17,386,132	16,821,609	495,574	147,429	34,850,744	-	4,959,992	292,148	5,252,140	40,102,884
Total Personnel Costs	70,101,820	70,588,981	1,895,375	17,070,256	1,120,096	160,776,528	924,688	158,840	-	1,083,528	70,101,820	70,588,981	1,895,375	924,688	143,510,864	-	17,229,096	1,120,096	18,349,192	161,860,056
Consulting and professional fees	4,128,275	1,896,241	491,001	4,663,775	52,356	11,231,648	358	1,162	-	1,520	4,128,275	1,896,241	491,001	358	6,515,875	-	4,664,937	52,356	4,717,293	11,233,168
Recruiting	119,578	109,552	-	203,265	-	432,395	-	-	-	-	119,578	109,552	-	-	229,130	-	203,265	-	203,265	432,395
Other contract services	1,414,664	1,446,816	32,754	1,301,912	39,200	4,235,346	6,834	5,490	-	12,324	1,414,664	1,446,816	32,754	6,834	2,901,068	(120,000)	1,187,402	39,200	1,226,602	4,127,670
Supplies	2,239,278	307,836	24,801	211,059	21,512	2,804,486	65,079	1,561	384	67,024	2,239,278	307,836	24,801	65,079	2,636,994	-	212,620	21,896	2,341,516	2,871,510
Telephone	1,238,744	988,418	38,032	629,742	10,950	2,905,886	345	405	-	750	1,238,744	988,418	38,032	345	2,265,539	-	630,147	10,950	641,097	2,906,636
Postage and shipping	15,216	10,244	429	31,733	8,576	66,198	2,029	246	-	2,275	15,216	10,244	429	2,029	27,918	-	31,979	8,576	40,555	68,473
Occupancy	8,471,774	6,650,503	224,349	1,991,983	93,091	17,431,700	310,918	-	-	310,918	8,471,774	6,650,503	224,349	310,918	15,657,544	-	1,991,983	93,091	2,085,074	17,742,618
Equipment rental and other costs	168,485	161,743	5,578	53,745	1,348	390,899	-	32	-	32	168,485	161,743	5,578	-	335,806	-	53,777	1,348	350,931	390,899
Vehicle rental	628,652	31,169	-	11,052	-	670,873	-	-	-	-	628,652	31,169	-	-	659,821	-	11,052	-	670,873	670,873
Outside print and artwork	11,769	1,535	-	8,863	3,657	25,824	-	-	-	-	11,769	1,535	-	-	13,304	-	8,863	3,657	12,520	25,824
Staff travel and other	59,994	38,644	125	2,860	1,000	102,623	2,401	776	-	3,177	59,994	38,644	125	2,401	101,164	-	3,636	1,000	105,800	105,800
Conferences and conventions	41,414	15,892	404	66,795	115,515	240,020	-	-	9,180	9,180	41,414	15,892	404	-	57,710	-	66,795	124,695	191,490	249,200
Specific assistance	15,080,359	597,049	2,390	605	10,465	15,690,868	-	-	-	-	15,080,359	597,049	2,390	-	15,679,798	-	605	10,465	11,070	15,690,868
Membership dues	95,070	23,196	1,393	32,683	500	152,842	-	-	-	-	95,070	23,196	1,393	-	119,659	-	32,683	500	33,183	152,842
Repairs and maintenance	1,846,881	211,675	12,259	16,465	181	2,087,461	330	7,191	-	7,521	1,846,881	211,675	12,259	330	2,071,145	-	23,656	181	23,837	2,094,982
Interest	1,031,942	214,591	-	477,000	-	1,723,533	-	-	-	-	1,031,942	214,591	-	-	1,246,533	-	477,000	-	477,000	1,723,533
Medicaid facility tax assessment	650,520	-	-	-	-	650,520	-	-	-	-	650,520	-	-	-	650,520	-	-	-	-	650,520
General insurance	2,887,011	1,676,770	67,760	299,081	20,355	4,950,977	-	-	-	-	2,887,011	1,676,770	67,760	-	4,631,541	-	299,081	20,355	319,436	4,950,977
Depreciation	3,287,580	1,165,820	116,416	781,769	1,686	5,353,271	57,179	-	-	57,179	3,287,580	1,165,820	116,416	57,179	4,626,995	-	781,769	1,686	783,455	5,410,450
Bad debt	2,775	2,259,056	-	-	-	2,261,831	-	-	-	-	2,775	2,259,056	-	-	2,261,831	-	-	-	2,261,831	2,261,831
Miscellaneous	121,899	75,806	198	167,228	23,319	388,450	4,549	153,489	-	158,038	121,899	75,806	198	4,549	202,452	-	320,717	23,319	344,036	546,488
TOTAL EXPENSES	\$ 113,643,700	\$ 88,471,537	\$ 2,913,264	\$ 28,021,871	\$ 1,523,807	\$ 234,574,179	\$ 1,374,710	\$ 329,192	\$ 9,564	\$ 1,713,466	\$ 113,643,700	\$ 88,471,537	\$ 2,913,264	\$ 1,374,710	\$ 206,403,211	\$ (120,000)	\$ 28,231,063	\$ 1,533,371	\$ 29,764,434	\$ 236,167,645

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
Total Personnel Costs	73,281,508	66,967,956	2,013,689	15,295,962	1,077,930	158,637,045	1,096,651	227,980	-	1,324,631	73,281,508	66,967,956	2,013,689	1,096,651	143,359,804	-	15,523,942	1,077,930	16,601,872	159,961,676
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	23,837	-	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	-	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	-	755,830	1,836,451
Medicaid facility tax assessment	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	-	4,495,954	-	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
	<u>118,818,187</u>	<u>87,292,732</u>	<u>3,211,930</u>	<u>25,601,443</u>	<u>1,526,184</u>	<u>236,450,476</u>	<u>1,224,299</u>	<u>757,899</u>	<u>37,131</u>	<u>2,019,329</u>	<u>118,818,187</u>	<u>87,292,732</u>	<u>3,211,930</u>	<u>1,224,299</u>	<u>210,547,148</u>	<u>(120,000)</u>	<u>26,239,342</u>	<u>1,563,315</u>	<u>27,802,657</u>	<u>238,349,805</u>
Less: Special event direct expenses	-	-	-	-	(171,890)	(171,890)	-	-	(34,019)	(34,019)	-	-	-	-	-	-	-	(205,909)	(205,909)	(205,909)
TOTAL EXPENSES	\$ 118,818,187	\$ 87,292,732	\$ 3,211,930	\$ 25,601,443	\$ 1,354,294	\$ 236,278,586	\$ 1,224,299	\$ 757,899	\$ 3,112	\$ 1,985,310	\$ 118,818,187	\$ 87,292,732	\$ 3,211,930	\$ 1,224,299	\$ 210,547,148	\$ (120,000)	\$ 26,239,342	\$ 1,357,406	\$ 27,596,748	\$ 238,143,896

See independent auditors' report.