

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



The Jewish Board

Health and Human Services for All New Yorkers

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

Years Ended June 30, 2022 and 2021

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

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

YEARS ENDED JUNE 30, 2022 AND 2021

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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the financial statements of the Jewish Board of Family and Children's Services, Inc. ("The Jewish Board"), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

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

Basis for Opinion

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

Report on 2021 Consolidated Financial Statements

The consolidated financial statements of The Jewish Board as of and for the year ended June 30, 2021 were audited by Marks Paneth LLP, whose report dated November 29, 2021 expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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



In performing an audit in accordance with GAAS, we:

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

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, during the year ended June 30, 2022, The Jewish Board removed itself as a sole member of Alpha Workshops and Alpha Workshops became an independent 501(c)(3) effective June 29, 2022. Our opinion of not modified with respect to this matter.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included on pages 24-25, for the year ended June 30, 2022, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The supplementary information as of and for the year ended June 30, 2021 was subjected to the auditing procedures applied in the June 30, 2021 audit of the basic consolidated financial statements by Marks Paneth LLP, whose report on such information stated that it was fairly stated in all material respects in relation to the June 30, 2021 consolidated financial statements as a whole.

Mayer Hoffman McCann CPAs

New York, NY
December 1, 2022

JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2022 AND 2021

ASSETS	<u>2022</u>	<u>2021</u>
Cash and cash equivalents (Notes 2B and 18A)	\$ 4,639,038	\$ 4,473,709
Accounts receivable, net (Notes 2C and 4)	59,087,213	48,794,938
Contributions receivable, net (Notes 2C, 2D and 5)	1,652,118	2,075,126
Investments (Notes 2E, 6 and 7)	97,546,012	114,950,250
Prepaid expenses and other assets (Note 2G)	6,075,529	6,790,852
Operating lease right-of-use assets (Note 16)	36,498,610	44,614,286
Property and equipment, net (Notes 2F and 8)	<u>60,777,303</u>	<u>60,908,832</u>
 TOTAL ASSETS	 <u>\$ 266,275,823</u>	 <u>\$ 282,607,993</u>
 LIABILITIES		
Accounts payable and accrued expenses (Notes 2B and 2G)	\$ 4,580,939	\$ 3,787,905
Accrued salaries and related benefits	8,578,030	10,690,277
Accrued vacation	5,574,589	6,099,491
Accrued post-retirement benefits (Note 12)	7,248,167	9,520,936
Other pension liabilities (Note 13B)	2,792,896	3,371,337
Deferred revenues (Note 17B)	6,175,468	10,664,380
Due to government agencies (Note 17B)	17,729,523	16,088,174
Bank lines of credit (Note 10)	24,000,000	25,000,000
Loan payable (Note 11)	10,000,000	10,229,935
Other long-term debt (Note 9)	28,582,994	12,710,199
Lease liability (Note 16)	<u>36,750,687</u>	<u>44,564,517</u>
 TOTAL LIABILITIES	 <u>152,013,293</u>	 <u>152,727,151</u>
 COMMITMENTS AND CONTINGENCIES (Note 17)		
 NET ASSETS (Note 2A)		
Without donor restrictions:		
Invested in property and equipment, net	32,194,309	48,198,633
Available for operations	<u>65,828,965</u>	<u>62,706,694</u>
Total without donor restrictions	<u>98,023,274</u>	<u>110,905,327</u>
With donor restrictions:		
Perpetual in nature	6,565,209	6,565,209
Time and purpose restricted	<u>9,674,047</u>	<u>12,410,306</u>
Total with donor restrictions (Note 15)	<u>16,239,256</u>	<u>18,975,515</u>
 TOTAL NET ASSETS	 <u>114,262,530</u>	 <u>129,880,842</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 266,275,823</u>	 <u>\$ 282,607,993</u>

JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	For the Year Ended June 30, 2022			For the Year Ended June 30, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total 2022	Without Donor Restrictions	With Donor Restrictions	Total 2021
OPERATING REVENUE AND SUPPORT (Note 2K):						
Program service fees (Notes 2H and 20)	\$ 118,997,658	\$ -	\$ 118,997,658	\$ 138,380,588	\$ -	\$ 138,380,588
Government grants (Note 2H)	92,227,873	-	92,227,873	73,843,523	-	73,843,523
Contributions (Note 2D)	5,403,114	17,300	5,420,414	5,174,979	17,000	5,191,979
Special events (net of direct costs of \$265,165) and virtual events	1,173,092	-	1,173,092	1,167,242	-	1,167,242
United Jewish Appeal-Federation of Jewish Philanthropies of New York, Inc.	6,379,401	-	6,379,401	7,006,991	-	7,006,991
Donated services (Notes 2I and 19)	672,680	-	672,680	648,028	-	648,028
Rentals and other income (Note 8)	1,204,463	-	1,204,463	4,988,572	-	4,988,572
Investment income used for operations (Notes 6 and 15)	5,846,910	(1,029,913)	4,816,997	3,391,924	1,425,073	4,816,997
Extinguishment of debt (Note 11)	229,935	-	229,935	-	-	-
Net assets released from restrictions (Notes 2A and 15)	1,189,435	(1,189,435)	-	336,275	(336,275)	-
TOTAL OPERATING REVENUE AND SUPPORT	233,324,561	(2,202,048)	231,122,513	234,938,122	1,105,798	236,043,920
OPERATING EXPENSES						
Program Services:						
Residential	45,807,607	-	45,807,607	47,377,004	-	47,377,004
Community services	53,713,536	-	53,713,536	56,068,189	-	56,068,189
Youth and family services	52,706,358	-	52,706,358	65,061,185	-	65,061,185
Jewish services	35,580,427	-	35,580,427	32,440,800	-	32,440,800
Other	4,173,666	-	4,173,666	4,081,323	-	4,081,323
Vocational	1,409,428	-	1,409,428	1,374,710	-	1,374,710
Total Program Services	193,391,022	-	193,391,022	206,403,211	-	206,403,211
Supporting Services:						
Management and general	33,788,984	-	33,788,984	28,101,695	-	28,101,695
Alpha Workshops	3,069,710	-	3,069,710	129,368	-	129,368
Fundraising	2,322,904	-	2,322,904	1,533,371	-	1,533,371
Total Supporting Services	39,181,598	-	39,181,598	29,764,434	-	29,764,434
TOTAL OPERATING EXPENSES	232,572,620	-	232,572,620	236,167,645	-	236,167,645
CHANGE IN NET ASSETS FROM OPERATIONS	751,941	(2,202,048)	(1,450,107)	(1,229,523)	1,105,798	(123,725)
NON-OPERATING ACTIVITIES (Note 2K):						
Investment activity (Note 6)	(13,518,575)	-	(13,518,575)	27,086,839	-	27,086,839
Less: Amount used for operations (Note 6)	(4,282,786)	(534,211)	(4,816,997)	(4,717,242)	(99,755)	(4,816,997)
Investment activity over/(under) amounts used for operations	(17,801,361)	(534,211)	(18,335,572)	22,369,597	(99,755)	22,269,842
TOTAL NON-OPERATING ACTIVITIES	(17,801,361)	(534,211)	(18,335,572)	22,369,597	(99,755)	22,269,842
CHANGE IN NET ASSETS BEFORE POST-RETIREMENT RELATED CHANGES AND OTHER	(17,049,420)	(2,736,259)	(19,785,679)	21,140,074	1,006,043	22,146,117
Change in reporting entity (Note 1)	2,138,325	-	2,138,325	-	-	-
Post-retirement related changes other than net periodic pension costs (Note 12)	2,029,042	-	2,029,042	814,206	-	814,206
CHANGE IN NET ASSETS	(12,882,053)	(2,736,259)	(15,618,312)	21,954,280	1,006,043	22,960,323
Net assets - beginning of year before change in reporting entity	110,905,327	18,975,515	129,880,842	88,951,047	17,969,472	106,920,519
NET ASSETS - END OF YEAR	\$ 98,023,274	\$ 16,239,256	\$ 114,262,530	\$ 110,905,327	\$ 18,975,515	\$ 129,880,842

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

JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022
(With Comparative Totals for June 30, 2021)

	Program Services						Supporting Services				Total 2022	Total 2021	
	Residential	Community Services	Youth and Family Services	Jewish Services	Other	Vocational	Total Program Services	Management and General	Alpha Workshops	Fundraising			Total Supporting Services
Salaries	\$ 16,297,176	\$ 31,844,044	\$ 29,967,841	\$ 18,864,054	\$ 2,363,266	\$ 838,890	\$ 100,175,271	\$ 14,391,642	\$ 116,692	\$ 1,600,241	\$ 16,108,575	\$ 116,283,846	\$ 121,757,172
Payroll taxes and benefits (Notes 12, 13 and 14)	6,262,704	10,611,772	10,194,945	6,204,042	1,341,795	136,240	34,751,498	6,355,455	8,871	395,461	6,759,787	41,511,285	40,102,884
Total Personnel Costs	22,559,880	42,455,816	40,162,786	25,068,096	3,705,061	975,130	134,926,769	20,747,097	125,563	1,995,702	22,868,362	157,795,131	161,860,056
Consulting and professional fees	597,079	1,003,010	1,794,856	1,712,990	28,409	1,740	5,138,084	4,643,407	-	70,675	4,714,082	9,852,166	11,233,168
Recruiting	96,420	58,106	997	21,588	-	-	177,111	644,470	-	3,000	647,470	824,581	432,395
Other contract services	480,285	599,760	1,374,302	237,062	12,870	8,193	2,712,472	1,580,071	2,024	12,087	1,594,182	4,306,654	4,127,670
Supplies	546,503	210,279	383,562	931,998	44	125,480	2,197,866	111,465	10	31,511	142,986	2,340,852	2,871,510
Telephone	371,030	500,443	701,514	295,633	33,498	915	1,903,033	220,515	2,677	7,627	230,819	2,133,852	2,906,636
Postage and shipping	9,205	8,076	1,979	2,853	4	1,497	23,614	22,987	-	4,687	27,674	51,288	68,473
Occupancy (Note 16)	4,903,740	5,103,952	3,224,741	1,588,487	170,681	286,116	15,277,717	2,323,691	588,568	95,984	3,008,243	18,285,960	17,742,618
Equipment rental and other costs (Note 16)	44,223	107,443	136,572	43,813	313	-	332,364	55,462	-	1,265	56,727	389,091	390,931
Vehicle rental (Note 16)	105,193	11,997	194,824	239,311	7	36	551,368	6,759	-	-	6,759	558,127	670,873
Outside print and artwork	1,309	1,065	968	834	-	-	4,176	2,296	-	6,368	8,664	12,840	25,824
Staff travel and other	33,404	11,423	118,890	17,713	336	2,269	184,035	36,581	-	2,757	39,338	223,373	105,800
Conferences and conventions	42,907	5,385	60,617	13,442	83,711	79	206,141	40,619	-	19,832	60,451	266,592	249,200
Specific assistance	12,248,733	211,704	711,649	2,402,895	1,182	-	15,576,163	7,796	-	2,935	10,731	15,586,894	15,690,868
Membership dues	28,765	159	66,611	-	-	-	95,535	49,034	-	800	49,834	145,369	152,842
Repairs and maintenance	1,072,245	249,543	477,669	333,759	1,664	192	2,135,072	39,596	-	115	39,711	2,174,783	2,094,982
Interest (Note 2H)	340,778	-	184,264	124,632	-	-	649,674	1,040,701	-	-	1,040,701	1,690,375	1,723,533
Medicaid facility tax assessment (Note 2H)	-	-	-	673,481	-	-	673,481	-	-	-	-	673,481	650,520
General insurance	1,170,987	1,439,818	1,929,075	1,184,213	121,149	-	5,845,242	421,460	2,666	28,184	452,310	6,297,552	4,950,977
Depreciation and amortization (Note 8)	997,452	826,404	1,106,165	655,933	14,503	-	3,600,457	961,533	249	2,054	963,836	4,564,293	5,410,450
Bad debt (Note 2C)	-	845,426	33,325	-	-	-	878,751	-	-	-	-	878,751	2,261,831
Miscellaneous	157,469	63,727	40,992	31,694	234	7,781	301,897	833,444	2,347,953	37,321	3,218,718	3,520,615	546,488
TOTAL EXPENSES	\$ 45,807,607	\$ 53,713,536	\$ 52,706,358	\$ 35,580,427	\$ 4,173,666	\$ 1,409,428	\$ 193,391,022	\$ 33,788,984	\$ 3,069,710	\$ 2,322,904	\$ 39,181,598	\$ 232,572,620	\$ 236,167,645

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

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

	Program Services						Supporting Services				Total 2021	
	Residential	Community Services	Youth and Family Services	Jewish Services	Other	Vocational	Total Program Services	Management and General	Alpha Workshops	Fundraising		Total Supporting Services
Salaries	\$ 17,381,899	\$ 33,362,794	\$ 37,321,662	\$ 17,284,802	\$ 2,531,704	\$ 777,259	\$ 108,660,120	\$ 12,157,609	\$ 111,495	\$ 827,948	\$ 13,097,052	\$ 121,757,172
Payroll taxes and benefits (Notes 12, 13 and 14)	5,782,316	10,059,562	12,555,004	5,328,177	978,256	147,429	34,850,744	4,951,326	8,666	292,148	5,252,140	40,102,884
Total Personnel Costs	23,164,215	43,422,356	49,876,666	22,612,979	3,509,960	924,688	143,510,864	17,108,935	120,161	1,120,096	18,349,192	161,860,056
Consulting and professional fees	1,142,332	1,150,236	2,741,658	1,442,768	38,523	358	6,515,875	4,664,113	824	52,356	4,717,293	11,233,168
Recruiting	77,282	104,268	46,341	1,239	-	-	229,130	203,265	-	-	203,265	432,395
Other contract services	862,700	824,732	1,023,625	171,056	12,121	6,834	2,901,068	1,185,466	1,936	39,200	1,226,602	4,127,670
Supplies	596,544	156,053	753,145	1,057,559	8,614	65,079	2,636,994	212,620	-	21,896	234,516	2,871,510
Telephone	423,471	603,640	794,378	398,948	44,757	345	2,265,539	628,007	2,140	10,950	641,097	2,906,636
Postage and shipping	10,305	7,755	5,726	2,099	4	2,029	27,918	31,979	-	8,576	40,555	68,473
Occupancy (Note 16)	4,842,665	4,822,174	4,019,041	1,356,842	305,904	310,918	15,657,544	1,991,983	-	93,091	2,085,074	17,742,618
Equipment rental and other costs (Note 16)	53,510	121,578	109,784	50,764	170	-	335,806	53,777	-	1,348	55,125	390,931
Vehicle rental (Note 16)	95,806	10,947	344,567	208,488	13	-	659,821	11,052	-	-	11,052	670,873
Outside print and artwork	7,452	773	3,962	1,117	-	-	13,304	8,863	-	3,657	12,520	25,824
Staff travel and other	28,369	6,793	60,332	3,262	7	2,401	101,164	3,636	-	1,000	4,636	105,800
Conferences and conventions	30,606	4,001	20,555	2,525	23	-	57,710	64,735	2,060	124,695	191,490	249,200
Specific assistance	12,303,296	121,819	1,251,620	1,976,597	26,466	-	15,679,798	605	-	10,465	11,070	15,690,868
Membership dues	28,114	459	74,939	16,135	12	-	119,659	32,683	-	500	33,183	152,842
Repairs and maintenance	1,056,365	149,752	627,030	229,274	8,394	330	2,071,145	23,656	-	181	23,837	2,094,982
Interest (Note 2G)	381,851	214,589	209,721	440,372	-	-	1,246,533	477,000	-	-	477,000	1,723,533
Medicaid facility tax assessment (Note 2H)	-	-	-	650,520	-	-	650,520	-	-	-	-	650,520
General insurance	944,824	1,089,108	1,588,876	904,035	104,698	-	4,631,541	297,083	1,998	20,355	319,436	4,950,977
Depreciation and amortization (Note 8)	1,249,189	995,491	1,407,006	896,669	21,461	57,179	4,626,995	781,520	249	1,686	783,455	5,410,450
Bad debt (Note 2C)	2,775	2,227,630	31,426	-	-	-	2,261,831	-	-	-	-	2,261,831
Miscellaneous	75,333	34,035	70,787	17,552	196	4,549	202,452	320,717	-	23,319	344,036	546,488
TOTAL EXPENSES	\$ 47,377,004	\$ 56,068,189	\$ 65,061,185	\$ 32,440,800	\$ 4,081,323	\$ 1,374,710	\$ 206,403,211	\$ 28,101,695	\$ 129,368	\$ 1,533,371	\$ 29,764,434	\$ 236,167,645

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

JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (15,618,312)	\$ 22,960,323
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities		
Depreciation and amortization	4,564,293	5,410,450
Post-retirement related changes other than net periodic pension costs	2,029,042	814,206
Bad debt	878,751	2,261,831
Non cash debt issuance interest expense	73,693	78,976
Discount on contributions receivable	33,008	(34,529)
Change in value of split-interest agreements	46,294	5,424
Extinguishment of debt	(229,935)	-
Net realized and unrealized loss (gain) on investments	15,833,582	(25,769,031)
Subtotal	23,228,728	(17,232,673)
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	(11,171,026)	(5,758,866)
Contributions receivable	390,000	93,485
Prepaid expenses and other assets	669,029	(311,445)
Gain on sale of fixed assets	-	(3,857,320)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	793,034	(1,973,615)
Accrued salaries and related benefits	(2,112,247)	3,652,678
Accrued vacation	(524,902)	(31,296)
Accrued post-retirement benefits	(4,301,811)	(1,750,369)
Other pension liabilities	(578,441)	424,057
Deferred rent	-	(60,170)
Deferred revenues	(4,488,912)	6,832,728
Due to government agencies	1,641,349	(445,593)
Operating lease payment	301,846	(49,769)
Net cash (used in) provided by operating activities	(11,771,665)	2,492,155
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	18,454,023	(25,233,682)
Proceeds from sales of investments	(16,883,367)	23,541,599
Proceeds from sales of fixed assets	-	4,568,380
Purchases of fixed assets	(4,432,764)	(3,328,062)
Net cash used in investing activities	(2,862,108)	(451,765)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of bank lines of credit	(57,000,000)	(53,000,000)
Proceeds from borrowings of bank lines of credit	56,000,000	51,000,000
Repayments of IDA bonds payable	-	(7,645,970)
Forgiveness on loan payable	-	(287,500)
Proceeds from loans payable	16,984,586	10,229,935
Repayments of other long-term debt	(1,185,484)	(741,264)
Net cash provided by (used in) financing activities	14,799,102	(444,799)
NET INCREASE IN CASH AND CASH EQUIVALENTS	165,329	1,595,591
Cash and cash equivalents - beginning of year	4,473,709	2,878,118
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 4,639,038	\$ 4,473,709
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for interest	\$ 1,616,682	\$ 1,644,557

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

JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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 serve 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 was the sole member of the Alpha Workshops ("Alpha"), 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 provided all administrative support services, and complete fiscal oversight of Alpha's affairs.

The Jewish Board removed itself as a sole member and Alpha became an independent 501(c)(3) effective June 29, 2022. As part of the separation agreement, The Jewish Board granted debt forgiveness for amounts due from Alpha of \$2,347,953. The Jewish Board also agreed to pay Alpha office lease through March 31, 2024. The aggregate amount of \$588,568 has been accrued and expensed as of June 30, 2022.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. *Basis of Presentation* – The Jewish Board maintains its net assets under the following two classes:

- Without donor restrictions – This represents resources available for support of The Jewish Board's operations over which the Board of Trustees has discretionary control as well as investment in property and equipment.
- With donor restrictions – This represents net assets resulting from contributions and other inflows of assets whose use by The Jewish Board is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled and removed by actions of The Jewish Board pursuant to those stipulations. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished or endowment earnings are appropriated for operations), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- B. *Cash and Cash Equivalents*** – The Jewish Board considers highly liquid debt instruments with maturities of three months or less, when acquired, to be cash and cash equivalents. Program participant funds included in the cash and cash equivalents amounted to approximately \$402,000 and \$708,000 as of June 30, 2022 and 2021, respectively. Such amounts are also included in accounts payable and accrued expenses in the accompanying financial statements.
- C. *Allowance for Uncollectible Receivables*** – The Jewish Board determines whether an allowance for uncollectible receivables should be provided for accounts receivable and contributions receivable. Such estimate is based on management's assessment of the aged basis of its receivables, current economic conditions, creditworthiness of its donors, historical experience, and collections subsequent to year end. As of June 30, 2022 and 2021, The Jewish Board determined an allowance of \$1,142,351 and \$1,101,909, respectively, was necessary for accounts receivable and no allowance was necessary for contributions receivable.
- D. *Contributions*** – Contributions are accounted under Financial Accounting Standards Board ("FASB") 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.
- E. *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.
- F. *Property and Equipment*** – Property and equipment is stated at cost less accumulated depreciation and amortization. These amounts do not purport to represent replacement or realizable values. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. Leasehold improvements are amortized over the lesser of the useful lives of the improvements or the term of the lease. Property and equipment is capitalized by The Jewish Board provided its cost is \$5,000 or more and its useful life is greater than one year.
- G. *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, 2022 and 2021 amounted to \$217,459 and \$263,753, respectively, and consisted of investments in money market funds and bond mutual funds. As of June 30, 2022 and 2021, 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 statements of financial position.

JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Revenues from evaluation and education services (early childhood programs) are principally cost-based. The revenues for such services are recorded at tuition rates established by governmental payors (principally the New York State Education Department and the New York City Department of Education). Program service fees are accounted for under FASB Accounting Standards Codification ("ASC") Topic 606. Government grants are accounted for under FASB 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.

- I. *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 financial statements at fair value and amounted to \$672,680 and \$648,028 for the years ended June 30, 2022 and 2021, respectively. Other volunteers have donated time to The Jewish Board's programs and supporting services. No amounts have been reflected in the accompanying financial statements for those services as they do not meet the recognition criteria under U.S. GAAP.
- J. *Functional Allocation of Expenses*** – The cost of providing the various program and supporting services has been summarized on a functional basis in the 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.
- K. *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.
- L. *Deferred Rent*** – The Jewish Board leases real property under various operating leases. The leases include rent escalations. Since the rent increases over time, the Jewish Board records an adjustment to rent expense each year to reflect its straight-lining policy. Straight-lining of rent gives rise to a timing difference that is reflected as deferred rent in the accompanying statements of financial position.
- M. *Use of Estimates*** – The preparation of 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 financial statements and the reporting amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.
- N. *Recent Accounting Pronouncements*** – FASB ASU 2020-07, Presentation and Disclosures by Not-For-Profit Entities for Contributed Nonfinancial Assets ("Gifts-in-Kind") was adopted by The Jewish Board for the year ended June 30, 2022. The core guidance in ASU 2020-07 is to increase transparency around contributed nonfinancial assets (also known as "gifts-in-kind") received by not-for-profit ("NFP") organizations, including transparency on how those assets are used and how they are valued. ASU 2020-07 improves financial reporting by providing new presentation and disclosure requirements about contributed nonfinancial assets for nonprofits. The amendment did not change existing recognition and measurement requirements for those assets. The adoption of ASU 2020-07 did not result in changes to The Jewish Board's financial statements except for updated disclosures.

JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Reclassification – Certain line items in the June 30, 2021 financial statements were reclassified to the June 30, 2022 presentation. These changes had no impact on the change in net assets for the year ended June 30, 2021.

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 statements of financial position dates, include the following as of June 30:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 4,639,038	\$ 4,473,709
Accounts receivable, net	59,087,213	48,794,938
Contributions receivable, due in one year	1,200,000	2,075,126
Investments	97,546,012	114,950,250
Net assets with donor restrictions	<u>(16,239,256)</u>	<u>(18,975,515)</u>
Total financial assets	<u>\$ 146,233,007</u>	<u>\$ 151,318,508</u>

The Jewish Board has budgeted at breakeven which will allow expenses to be covered by income. In order to manage liquidity, The Jewish Board relies on collection of accounts receivable for general expenditures. As stated in Note 10, 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>2022</u>	<u>2021</u>
Due from the City of New York	\$ 29,172,885	\$ 15,194,590
Due from the State of New York	21,942,867	23,716,357
Due from other sources	<u>9,113,812</u>	<u>10,985,900</u>
	60,229,564	49,896,847
Less: allowance for doubtful accounts	<u>(1,142,351)</u>	<u>(1,101,909)</u>
	<u>\$ 59,087,213</u>	<u>\$ 48,794,938</u>

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>2022</u>	<u>2021</u>
Less than one year	\$ 1,200,000	\$ 1,050,000
One to five years	<u>551,101</u>	<u>1,091,101</u>
	1,751,101	2,141,101
Less: Discount to present value	<u>(98,983)</u>	<u>(65,975)</u>
	<u>\$ 1,652,118</u>	<u>\$ 2,075,126</u>

JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 6 – INVESTMENTS

Investments consist of the following as of June 30:

	<u>2022</u>	<u>2021</u>
Money market funds	\$ 652,716	\$ 1,172,593
Equities	12,788,108	15,576,270
Mutual funds	63,861,667	80,759,867
Alternative investments	<u>20,243,521</u>	<u>17,441,520</u>
	<u>\$ 97,546,012</u>	<u>\$ 114,950,250</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>2022</u>	<u>2021</u>
Realized gain	\$ 5,001,305	\$ 2,331,989
Unrealized (loss) gain	<u>(20,834,887)</u>	<u>23,437,042</u>
Net realized and unrealized activity	(15,833,582)	25,769,031
Interest and dividends	2,836,783	1,803,313
Investment fees	<u>(521,776)</u>	<u>(485,505)</u>
Total investment activity	<u>\$ (13,518,575)</u>	<u>\$ 27,086,839</u>
Designation:		
Amount used for operations	\$ 4,816,997	\$ 4,816,997
Amount considered non-operating	<u>(18,335,572)</u>	<u>22,269,842</u>
Total	<u>\$ (13,518,575)</u>	<u>\$ 27,086,839</u>

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

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

JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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, 2022 are classified in the table as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Money market funds	\$ 652,716	\$ -	\$ 652,716
Equities:			
Domestic	12,788,108	-	12,788,108
Mutual funds:			
Domestic	23,948,813	-	23,948,813
International	13,617,695	11,344,240	24,961,935
Corporate bonds	<u>14,950,919</u>	<u>-</u>	<u>14,950,919</u>
Subtotal	<u>\$ 65,958,251</u>	<u>\$ 11,344,240</u>	77,302,491
Assets using NAV as practical expedient:			
Diversified inflation hedges			12,018,953
Hedge funds			5,612,216
Limited partnerships			<u>2,612,352</u>
Total			<u>\$ 97,546,012</u>

JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 7 – FAIR VALUE MEASUREMENTS (Continued)

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>

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

	<u>2022</u>	<u>2021</u>	<u>Unfunded</u> <u>Commitments</u>	<u>Redemption</u> <u>Frequency</u>	<u>Redemption</u> <u>Notice Period</u>
Diversified inflation funds	\$ 12,018,953	\$ 9,932,190	None	Immediately	10 days
Hedge funds	5,612,216	6,240,122	None	Immediately	10-90 days
Limited partnerships	<u>2,612,352</u>	<u>1,269,208</u>	None	Immediately	90 days
	<u>\$ 20,243,521</u>	<u>\$ 17,441,520</u>			

NOTE 8 – PROPERTY AND EQUIPMENT

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

	<u>2022</u>	<u>2021</u>	<u>Estimated</u> <u>Useful Lives</u>
Land	\$ 17,471,606	\$ 17,471,606	
Building and building improvements	97,469,148	96,388,005	15-50 years
Leasehold improvements	5,184,736	5,531,958	5-40 years
Furniture and equipment	37,338,294	35,219,402	3-10 years
Construction in progress (see below)	<u>3,961,512</u>	<u>2,748,163</u>	
	161,425,296	157,359,134	
Less: accumulated depreciation and amortization	<u>(100,647,993)</u>	<u>(96,450,302)</u>	
	<u>\$ 60,777,303</u>	<u>\$ 60,908,832</u>	

Depreciation and amortization expense amounted to \$4,564,293 and \$5,410,450 for the years ended June 30, 2022 and 2021, respectively. During the years ended June 30, 2022 and 2021, \$366,602 and \$436,550 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. There were no sales during the year ended June 30, 2022.

Construction in progress consists of renovations at various facilities with an estimated cost of completion of approximately \$1.8 million as of June 30, 2022. The projects are expected to be completed in the upcoming fiscal year. There was approximately \$1 million of construction in progress transferred out to building and building improvements.

JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 9 – 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 funding agencies, the interest rates disclosed are not indicative of an out-of-pocket debt service obligation.

<u>Description</u>	<u>2022</u>	<u>2021</u>	<u>Due Date</u>
Mortgage payable to DASNY in semi-annual installments of \$187,894. The interest rate is 5.88%. (a)	\$ -	\$ 359,834	2020
Note payable to a bank. Principal payments start in August 2026. Interest payments are currently paid monthly. The interest rate is 3.55%. Loan is secured by property. (b)	16,984,586	-	2031
Mortgage payable to DASNY in semi-annual installments of \$138,933. The interest rate is 7.15%. (a)	388,686	625,967	2023
Mortgage payable to DASNY in semi-annual installments of \$259,630. The interest rate is 4.95%. (a)	737,758	1,198,054	2023
Mortgage payable to a bank monthly installments of \$7,553. The interest rate is 4.46%. (b)	556,449	621,660	2029
Mortgage payable to DASNY in semi-annual installments of \$213,755. The interest rate is 4.95%. (a)	3,209,587	3,468,687	2031
Mortgage payable to DASNY in semi-annual installments of \$37,235. The interest rate is 5.05%. (a)	556,606	603,363	2031
Mortgage payable to DASNY in semi-annual installments of \$60,350. The interest rate is 5.01%. (a)	977,232	1,048,803	2032
Mortgage payable to a bank monthly installments of \$10,049. The interest rate is 5.77%. (b)	1,458,429	1,492,102	2033
Mortgage payable to DASNY in semi-annual installments of \$98,540. The interest rate is 4.02%. (a)	1,921,255	2,037,524	2034
State aid grant payable to DASNY in monthly installments of \$425. No interest is imputed. (a)	91,739	96,836	2026
Equipment lease to a bank monthly installments of \$10,584. The interest rate is 2.898%. (a)	412,677	-	2025
Equipment lease to a bank monthly installments of \$7,430. The interest rate is 2.665%. (a)	361,657	440,274	2026
Equipment lease to a bank monthly installments of \$7,365. The interest rate is 3.784%. (a)	327,590	-	2026
Equipment lease to a bank monthly installments of \$19,788. The interest rate is 5.267% (a)	<u>730,167</u>	<u>922,211</u>	2026
	28,714,418	12,915,315	
Less: debt issuance costs:	<u>(131,424)</u>	<u>(205,116)</u>	
	<u>\$ 28,582,994</u>	<u>\$ 12,710,199</u>	

(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, 2022 and 2021, The Jewish Board was in compliance with all applicable covenants.

JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 9 – OTHER LONG-TERM DEBT (Continued)

Required future annual principal payments are payable as follows for each of the five years ending after June 30, 2022 and thereafter:

2023	\$	1,797,364
2024		1,530,138
2025		1,198,920
2026		1,014,095
2027		802,065
Thereafter		<u>22,371,836</u>
	\$	<u>28,714,418</u>

NOTE 10 – BANK LINES OF CREDIT

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

	<u>2022</u>	<u>2021</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.	\$ 19,000,000	\$ 18,000,000	2023
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>5,000,000</u>	<u>7,000,000</u>	2023
	<u>\$ 24,000,000</u>	<u>\$ 25,000,000</u>	

There are certain financial covenants associated with the bank lines of credit. As of June 30, 2022 and 2021, The Jewish Board was in compliance with those covenants.

NOTE 11 – 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.

During the year ended June 30, 2021, The Jewish Board applied for the second round of PPP loans through SBA authorized lenders. The loan amounting to \$10,000,000 was approved and received in April 2021. The Jewish Board has opted to account for the proceeds as a loan under FASB ASC 470, *Debt*, until the loan is, in part or wholly, forgiven and the entity has been "legally released". The Jewish Board's PPP loan was forgiven on August 1, 2022.

JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 12 – ACCRUED POSTRETIREMENT BENEFITS

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

The unfunded status is as follows as of June 30:

Change in benefit obligation:	<u>2022</u>	<u>2021</u>
Benefit obligation at beginning of the year	\$ 9,520,936	\$ 10,457,009
Service cost	99,652	133,714
Interest cost	230,230	242,384
Actuarial (gain)/loss	(2,155,602)	(842,936)
Benefits paid	<u>(447,049)</u>	<u>(469,235)</u>
Benefit obligation at end of the year	7,248,167	9,520,936
Fair value of plan assets	<u>-</u>	<u>-</u>
Unfunded status	<u>\$ 7,248,167</u>	<u>\$ 9,520,936</u>

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

	<u>2022</u>	<u>2021</u>
Service cost	\$ 99,652	\$ 133,714
Interest cost	230,230	242,384
Amortization of actuarial gain	<u>(134,638)</u>	<u>(57,641)</u>
Net periodic cost	<u>\$ 195,244</u>	<u>\$ 318,457</u>

For the years ended June 30, 2022 and 2021, the amounts recognized in net assets without donor restrictions were cumulative actuarial gain of \$192,903 and \$814,206, respectively.

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

Benefit Obligation:	<u>2022</u>	<u>2021</u>
Discount rate	2.50%	2.50%
Expected return on plan assets	N/A	N/A
Rate of compensation increase	N/A	N/A
Net periodic pension cost:		
Discount rate	4.48%	2.39%
Expected return on plan assets	N/A	N/A
Rate of compensation increase	N/A	N/A

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

2023	\$ 640,000
2024	633,000
2025	621,000
2026	610,000
2027	593,000
Thereafter	<u>2,680,000</u>
	<u>\$ 5,777,000</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 post-retirement benefit obligation by \$27,433 as of June 30, 2022, and the aggregate of the service and interest cost components of net periodic post-retirement benefit cost for the year then ended by \$956. Decreasing the assumed health care cost trend rates by 1% would decrease the accumulated post-retirement benefit obligation by \$25,479 as of June 30, 2022, and the aggregate of the service and interest cost components of net periodic post-retirement benefit cost for the year then ended by \$880.

JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 13 – 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 \$103,000 and \$156,000 for the years ended June 30, 2022 and 2021 to the SERP, respectively. The fair value of the plans' assets and resulting liabilities aggregated to approximately \$2,800,000 and \$3,400,000, as of June 30, 2022 and 2021, respectively. Plan assets are included in prepaid expenses and other assets and the related liability is included in other pension liabilities in the accompanying statements of financial position.

NOTE 14 – 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 \$4,388,291 and \$ 5,613,066 for the years ended June 30, 2022 and 2021, respectively.

NOTE 15 – NET ASSETS WITH DONOR RESTRICTIONS

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

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

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.

JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 15 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Investments to be held in perpetuity amounted to \$6,565,209 as of both June 30, 2022 and 2021. 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, 2022nd 2021, the endowment funds were not underwater.

The change in endowment net assets for the year ended June 30, 2022 is as follows:

	<u>With Donor Restriction</u>	<u>Perpetual in Nature</u>	<u>Total</u>
Investment activity	\$ (1,029,913)	\$ -	\$ (1,029,913)
Appropriated by the Board of Trustees	<u>(534,211)</u>	<u>-</u>	<u>(534,211)</u>
Net change	(1,564,124)	-	(1,564,124)
Balance, beginning of year	<u>2,192,284</u>	<u>6,565,209</u>	<u>8,757,493</u>
Balance, end of year	<u>\$ 628,160</u>	<u>\$ 6,565,209</u>	<u>\$ 7,193,369</u>

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	\$ 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>

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

	<u>2022</u>	<u>2021</u>
Endowment fund – perpetual in nature	\$ 6,565,209	\$ 6,565,209
Educational services for children (including time restricted)	5,117,706	6,361,457
Residential	2,446,562	2,347,164
Community services	1,478,414	1,461,414
Unappropriated earnings on endowment funds	628,160	2,192,284
Other	<u>3,205</u>	<u>47,987</u>
	<u>\$ 16,239,256</u>	<u>\$ 18,975,515</u>

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

	<u>2022</u>	<u>2021</u>
Residential	\$ 110,865	\$ 5,439
Community services	-	415
Education	<u>1,078,570</u>	<u>330,421</u>
	<u>\$ 1,189,435</u>	<u>\$ 336,275</u>

JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 16 – OPERATING LEASES

The Jewish Board has entered into a lease agreement through fiscal year 2030. This lease includes a rent escalation. The Jewish Board 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 the prior year statement of financial position information, and because these leases are operating leases, the adoption of the standard had no impact on The Jewish Board's change in net assets. No comparative information is provided for the amounts reported on the statement of financial position as of June 30, 2020 since Alpha used the modified retrospective method of transition that does not require restating the prior period.

As of June 30, 2022 and 2021, the right-of-use ("ROU") asset had a balance of \$36,498,610 and \$44,614,286, respectively. The lease liability totaled \$36,750,687 and \$44,564,517, respectively as shown in the statements of financial position. For year ended June 30, 2021, the lease liabilities were calculated utilizing The Jewish Board's incremental borrowing rate of 3.55% for leases in effect at the initial adoption date of July 1, 2020. For new leases during the year ended June 30, 2022, a 5% incremental borrowing rate was used to calculate the present value of the leases.

Future minimum payments for non-cancelable operating leases for the next five years ending after June 30, 2022 and thereafter are as follows:

2023	\$	15,459,238
2024		9,313,180
2025		5,329,788
2026		4,107,877
2027		2,817,365
Thereafter		<u>2,605,675</u>
Total lease payments		39,633,122
Less: Present value discount		<u>(2,882,436)</u>
Present value of lease liabilities	\$	<u>36,750,687</u>

Rent expense under the operating leases amounted to approximately \$17,925,000 and \$17,643,000 for the years ended June 30, 2022 and 2021, respectively.

NOTE 17 – 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, 2022, management cannot determine the final outcome of these claims and has not recorded any liability in the 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 statements of financial position.

**JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE 17 – COMMITMENTS AND CONTINGENCIES (Continued)

C. The Jewish Board believes it has no uncertain tax positions as of June 30, 2022 and 2021 in accordance with ASC Topic 740, "Income Taxes," which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

NOTE 18 – CONCENTRATIONS

A. Cash and cash equivalents that potentially subject The Jewish Board to a concentration of credit risk include cash accounts that exceed the Federal Deposit Insurance Corporation ("FDIC") insurance limits. Cash accounts are insured up to \$250,000 per depositor, per insured financial institution. As of June 30, 2022 and 2021, there was approximately \$5.3 million and \$4.6 million, respectively, of cash and cash equivalents held by banks that exceeded FDIC limits.

B. Certain full-time employees of The Jewish Board are covered by collective bargaining agreements as of June 30, 2022 and 2021. 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, 2022 and 2021, The Jewish Board estimated approximately 44% and 47%, respectively, of its employees are covered under collective bargaining agreements.

NOTE 19 – DONATED SERVICES

Donated services for the year ended June 30, 2022 consisted of the following:

<u>Nonfinancial Asset</u>	<u>Amount</u>	<u>Usage in Programs/Activities</u>	<u>Donor-imposed Restrictions</u>	<u>Fair Value Techniques</u>
Volunteer services	\$ 672,680	Various positions in programs	No associated donor restrictions	Based on hourly rates of comparable staff positions

Donated services for the year ended June 30, 2021 consisted of the following:

<u>Nonfinancial Asset</u>	<u>Amount</u>	<u>Usage in Programs/Activities</u>	<u>Donor-imposed Restrictions</u>	<u>Fair Value Techniques</u>
Volunteer services	\$ 648,028	Various positions in programs	No associated donor restrictions	Based on hourly rates of comparable staff positions

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 have completed their portion of the contract. Receivables are due in full when billed and revenue is recognized as performance obligations are satisfied.

JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 20 – REVENUE FROM CONTRACTS WITH CUSTOMERS (Continued)

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, 2022 and 2021. 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>2022</u>	<u>2021</u>
Residential	\$ 66,027,405	\$ 82,285,379
Clinic	37,150,143	43,472,852
Case Management	7,098,667	7,626,685
Community Based Services	5,118,625	141,072
Early Childhood	3,435,532	4,595,316
Other	<u>167,286</u>	<u>259,284</u>
	<u>\$ 118,997,658</u>	<u>\$ 138,380,588</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 statements of financial position.

All of The Jewish Board employees and their dependents are eligible to participate in the program. The Jewish Board is self-insured for health claims of participants up to an annual aggregate amount of \$200,000 per covered participant. Commercial stop-loss insurance coverage is purchased for claims in excess of the annual aggregate amount. The cost of medical care is paid out of employee and employer contributions and is held in a separate bank account. The Jewish Board 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, 2022 and 2021 is below:

	<u>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 500,573	\$ 342,592
Claim estimate	23,330,858	23,161,637
Claims and expenses paid	<u>(23,568,489)</u>	<u>(23,003,656)</u>
Balance, end of year	<u>\$ 262,942</u>	<u>\$ 500,573</u>

JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 22 – SUBSEQUENT EVENTS

Management has evaluated for potential recognition and disclosure, events subsequent to the date of the statement of financial position through December 1, 2022, the date the financial statements were available to be issued.

JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC.
STATEMENT OF ACTIVITIES DETAIL
FOR THE YEAR ENDED JUNE 30, 2022

	The Jewish Board			The Alpha Workshops			Elimination Entries	Total		
	Without Donor Restrictions	With Donor Restrictions	Total 2022	Without Donor Restrictions	With Donor Restrictions	Total 2022		Without Donor Restrictions	With Donor Restrictions	Total 2022
OPERATING REVENUE AND SUPPORT										
Program service fees	\$ 118,997,658	\$ -	\$ 118,997,658	\$ -	\$ -	\$ -	\$ -	\$ 118,997,658	\$ -	\$ 118,997,658
Government grants	91,770,892	-	91,770,892	456,981	-	456,981	-	92,227,873	-	92,227,873
Contributions	5,393,445	17,300	5,410,745	9,669	-	9,669	-	5,403,114	17,300	5,420,414
Special events (net of direct costs of \$265,165) and virtual events	1,173,092	-	1,173,092	-	-	-	-	1,173,092	-	1,173,092
United Jewish Appeal-Federation of Jewish Philanthropies of New York, Inc.	6,379,401	-	6,379,401	-	-	-	-	6,379,401	-	6,379,401
Donated services	672,680	-	672,680	-	-	-	-	672,680	-	672,680
Rentals and other income	623,815	-	623,815	580,648	-	580,648	-	1,204,463	-	1,204,463
Investment income used for operations	5,846,910	(1,029,913)	4,816,997	-	-	-	-	5,846,910	(1,029,913)	4,816,997
Extinguishment of debt	-	-	-	229,935	-	229,935	-	229,935	-	229,935
Net assets released from restrictions	1,144,353	(1,144,353)	-	45,082	(45,082)	-	-	1,189,435	(1,189,435)	-
TOTAL OPERATING REVENUE AND SUPPORT	232,002,246	(2,156,966)	229,845,280	1,322,315	(45,082)	1,277,233	-	233,324,561	(2,202,048)	231,122,513
OPERATING EXPENSES										
Program Services:										
Residential	45,807,607	-	45,807,607	-	-	-	-	45,807,607	-	45,807,607
Community services	53,713,536	-	53,713,536	-	-	-	-	53,713,536	-	53,713,536
Youth and family services	52,706,358	-	52,706,358	-	-	-	-	52,706,358	-	52,706,358
Jewish Services	35,580,427	-	35,580,427	-	-	-	-	35,580,427	-	35,580,427
Other	4,173,666	-	4,173,666	-	-	-	-	4,173,666	-	4,173,666
Vocational	-	-	-	1,409,428	-	1,409,428	-	1,409,428	-	1,409,428
Total Program Services	191,981,594	-	191,981,594	1,409,428	-	1,409,428	-	193,391,022	-	193,391,022
Supporting Services:										
Management and general	33,501,395	-	33,501,395	287,589	-	287,589	-	33,788,984	-	33,788,984
Alpha Workshops	3,069,710	-	3,069,710	-	-	-	-	3,069,710	-	3,069,710
Fundraising	2,322,054	-	2,322,054	850	-	850	-	2,322,904	-	2,322,904
Total Supporting Services	38,893,159	-	38,893,159	288,439	-	288,439	-	39,181,598	-	39,181,598
TOTAL OPERATING EXPENSES	230,874,753	-	230,874,753	1,697,867	-	1,697,867	-	232,572,620	-	232,572,620
CHANGE IN NET ASSETS FROM OPERATIONS	1,127,493	(2,156,966)	(1,029,473)	(375,552)	(45,082)	(420,634)	-	751,941	(2,202,048)	(1,450,107)
NON-OPERATING ACTIVITIES										
Investment activity	(13,518,575)	-	(13,518,575)	-	-	-	-	(13,518,575)	-	(13,518,575)
Less: Amount used for operations	(4,282,786)	(534,211)	(4,816,997)	-	-	-	-	(4,282,786)	(534,211)	(4,816,997)
Investment activity (under) amounts used for operations	(17,801,361)	(534,211)	(18,335,572)	-	-	-	-	(17,801,361)	(534,211)	(18,335,572)
TOTAL NON-OPERATING ACTIVITIES	(17,801,361)	(534,211)	(18,335,572)	-	-	-	-	(17,801,361)	(534,211)	(18,335,572)
CHANGE IN NET ASSETS BEFORE POSTRETIREMENT RELATED CHANGES AND OTHER	(16,673,868)	(2,691,177)	(19,365,045)	(375,552)	(45,082)	(420,634)	-	(17,049,420)	(2,736,259)	(19,785,679)
Change in reporting entity	-	-	-	2,138,325	-	2,138,325	-	2,138,325	-	2,138,325
Post-retirement related changes other than net periodic costs	2,029,042	-	2,029,042	-	-	-	-	2,029,042	-	2,029,042
CHANGE IN NET ASSETS	(14,644,826)	(2,691,177)	(17,336,003)	1,762,773	(45,082)	1,717,691	-	(12,882,053)	(2,736,259)	(15,618,312)
Net assets - beginning of year before change in reporting entity	112,668,100	18,930,433	131,598,533	(1,762,773)	45,082	(1,717,691)	-	110,905,327	18,975,515	129,880,842
NET ASSETS - END OF YEAR	\$ 98,023,274	\$ 16,239,256	\$ 114,262,530	\$ -	\$ -	\$ -	\$ -	\$ 98,023,274	\$ 16,239,256	\$ 114,262,530

See independent auditors' report.

JEWISH BOARD OF FAMILY AND CHILDREN'S SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES DETAIL
FOR THE YEAR ENDED JUNE 30, 2022

	The Jewish Board										The Alpha Workshops				Total									
	Program Services					Supporting Services					Program Services		Supporting Services		Program Services					Supporting Services				
	Residential	Community Services	Youth and Family Services	Jewish Services	Other	Management and General	Alpha Workshops	Fundraising	Total	Vocational	Management and General	Fundraising	Total	Residential	Community Services	Youth and Family Services	Jewish Services	Other	Training Vocational	Total Program Services	Management and General	Alpha Workshops	Fundraising	Total Supporting Services
Salaries	\$ 16,207,176	\$ 31,844,044	\$ 29,967,841	\$ 18,864,054	\$ 2,363,266	\$ 14,315,074	\$ 116,692	\$ 1,600,241	\$ 115,368,388	\$ 838,890	\$ 76,568	\$ 915,458	\$ 16,207,176	\$ 31,844,044	\$ 29,967,841	\$ 18,864,054	\$ 2,363,266	\$ 838,890	\$ 100,175,271	\$ 14,301,642	\$ 116,692	\$ 1,600,241	\$ 16,108,575	\$ 116,283,846
Payroll taxes and benefits	6,262,704	10,611,772	10,194,945	6,204,042	1,341,795	6,319,632	8,871	395,461	41,339,222	136,240	35,823	172,063	6,262,704	10,611,772	10,194,945	6,204,042	1,341,795	136,240	34,751,498	6,355,455	8,871	395,461	6,759,787	41,511,285
Total Personnel Costs	22,559,880	42,455,816	40,162,786	25,068,096	3,705,061	20,634,706	125,563	1,995,702	156,707,610	975,130	112,391	1,087,521	22,559,880	42,455,816	40,162,786	25,068,096	3,705,061	975,130	134,926,769	20,747,097	125,563	1,995,702	22,868,362	157,795,131
Consulting and professional fees	597,079	1,003,010	1,794,856	1,712,990	28,409	4,641,462	-	70,675	9,848,481	1,740	1,945	3,685	597,079	1,003,010	1,794,856	1,712,990	28,409	1,740	5,138,084	4,643,407	-	70,675	4,714,082	9,852,166
Recruiting	96,420	58,106	997	21,588	-	644,470	-	3,000	824,581	-	-	-	96,420	58,106	997	21,588	-	-	177,111	644,470	-	3,000	647,470	824,581
Other contract services	480,285	599,780	1,374,302	237,062	12,870	1,573,147	2,024	2,087	4,291,537	8,193	6,924	15,117	480,285	599,780	1,374,302	237,062	12,870	8,193	2,712,472	1,580,071	2,024	12,087	1,594,162	4,306,854
Supplies	546,503	210,279	383,562	931,998	44	88,318	10	30,710	2,191,424	125,480	23,147	801	546,503	210,279	383,562	931,998	44	125,480	2,197,868	111,465	10	31,511	142,896	2,340,652
Telephone	371,030	500,443	701,514	295,633	33,498	220,124	2,677	7,627	2,132,546	915	391	1,306	371,030	500,443	701,514	295,633	33,498	915	1,903,033	220,515	2,677	7,627	230,819	2,133,852
Postage and shipping	9,205	8,076	1,979	2,853	4	22,869	-	4,687	49,673	1,497	116	1,615	9,205	8,076	1,979	2,853	4	1,497	23,614	22,987	-	4,687	27,674	51,288
Occupancy	4,903,740	5,103,952	3,224,741	1,588,487	170,681	2,249,031	586,568	95,964	17,925,184	286,116	74,660	360,776	4,903,740	5,103,952	3,224,741	1,588,487	170,681	286,116	15,277,717	2,323,691	586,568	95,964	3,008,243	18,285,960
Equipment rental and other costs	44,223	107,443	136,572	43,813	313	55,462	-	1,265	389,091	-	-	-	44,223	107,443	136,572	43,813	313	-	332,364	55,462	-	1,265	56,727	389,091
Vehicle rental	105,193	11,997	194,824	239,311	7	6,759	-	-	558,091	36	-	36	105,193	11,997	194,824	239,311	7	36	551,368	6,759	-	-	6,759	558,127
Outside print and artwork	1,309	1,065	968	834	-	2,296	-	6,368	12,840	-	-	-	1,309	1,065	968	834	-	-	4,176	2,296	-	6,368	8,864	12,840
Staff travel and other	33,404	11,423	118,890	17,713	336	36,332	-	2,741	220,839	2,269	249	16	33,404	11,423	118,890	17,713	336	2,269	184,035	36,581	-	2,737	39,338	223,373
Conferences and conventions	42,907	5,385	60,617	13,442	83,711	40,579	-	19,832	266,473	79	40	119	42,907	5,385	60,617	13,442	83,711	79	206,141	40,619	-	19,832	60,451	266,592
Specific assistance	12,248,733	211,704	711,649	2,402,895	1,182	7,796	-	2,935	15,586,894	-	-	-	12,248,733	211,704	711,649	2,402,895	1,182	-	15,576,163	7,796	-	2,935	10,731	15,586,894
Membership dues	28,765	159	66,611	-	-	49,034	-	800	145,369	-	-	-	28,765	159	66,611	-	-	-	95,535	49,034	-	800	49,834	145,369
Repairs and maintenance	1,072,245	249,543	477,669	333,759	1,664	36,877	-	116	2,171,872	192	2,719	2,911	1,072,245	249,543	477,669	333,759	1,664	192	2,135,072	39,596	-	115	39,711	2,174,783
Interest	340,778	-	184,264	124,632	-	1,040,701	-	-	1,690,375	-	-	-	340,778	-	184,264	124,632	-	-	649,674	1,040,701	-	-	1,040,701	1,690,375
Medicaid facility tax assessment	-	-	-	673,481	-	-	-	-	673,481	-	-	-	-	-	-	673,481	-	-	673,481	-	-	-	-	673,481
General insurance	1,170,987	1,439,818	1,929,075	1,184,213	121,149	421,460	2,666	28,184	6,297,552	-	-	-	1,170,987	1,439,818	1,929,075	1,184,213	121,149	-	5,845,242	421,460	2,666	28,184	452,310	6,297,552
Depreciation	997,452	826,404	1,106,165	655,933	14,503	961,533	249	2,054	4,564,293	-	-	-	997,452	826,404	1,106,165	655,933	14,503	-	3,600,457	961,533	249	2,054	963,836	4,564,293
Bad debt	-	845,426	33,325	-	-	-	-	-	878,751	-	-	-	-	845,426	33,325	-	-	-	878,751	-	-	-	-	878,751
Miscellaneous	157,469	63,727	40,992	31,694	234	768,439	2,347,953	37,288	3,447,796	7,781	65,005	33	157,469	63,727	40,992	31,694	234	7,781	301,697	833,444	2,347,953	37,321	3,218,718	3,520,615
TOTAL EXPENSES	\$ 45,807,607	\$ 53,713,536	\$ 52,706,358	\$ 35,580,427	\$ 4,173,666	\$ 33,501,395	\$ 3,069,710	\$ 2,322,054	\$ 230,874,753	\$ 1,409,428	\$ 287,589	\$ 850	\$ 45,807,607	\$ 53,713,536	\$ 52,706,358	\$ 35,580,427	\$ 4,173,666	\$ 1,409,428	\$ 193,991,022	\$ 33,788,984	\$ 3,069,710	\$ 2,322,904	\$ 30,181,598	\$ 232,572,620

See independent auditors' report.