JEWISH FAMILY & CHILDREN'S SERVICES OF NORTHERN NEW JERSEY, INC. AND JEWISH FAMILY SERVICE FOUNDATION, INC.

CONSOLIDATING AND CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

JEWISH FAMILY & CHILDREN'S SERVICES OF NORTHERN NEW JERSEY, INC.
AND
JEWISH FAMILY SERVICE FOUNDATION, INC.
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

Table of Contents

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Jewish Family & Children's Services of Northern New Jersey, Inc.
and Jewish Family Service Foundation, Inc.

We have audited the accompanying consolidating and consolidated financial statements of Jewish Family & Children's Services of Northern New Jersey, Inc. and Jewish Family Service Foundation, Inc. (the "Organization"), which comprise the consolidating statements of financial position as of June 30, 2021 and 2020, and the related consolidating statements of activities and functional expenses, and consolidated statements of cash flows for the years then ended, and the related notes to the consolidating and consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidating and 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 consolidating and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidating and 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 consolidating and consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidating and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidating and 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 consolidating and 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 consolidating and 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 consolidating and consolidated financial statements referred to above present fairly, in all material respects, the financial position of Jewish Family & Children's Services of Northern New Jersey, Inc. and Jewish Family Service Foundation, Inc. as of June 30, 2021 and 2020, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Jewish Family & Children's Services of Northern New Jersey, Inc. and Jewish Family Service Foundation, Inc.'s June 30, 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 11, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

As discussed in Note 14 to the consolidating and consolidated financial statements, the World Health Organization has declared COVID-19 to constitute a "Public Health Emergency of International Concern." Given the uncertainty of the situation, the duration of any business disruption and related financial impact cannot be reasonably estimated at this time. Our conclusion is not modified with respect to this matter.

Citrin Cooperman & Company, LLP
CERTIFIED PUBLIC ACCOUNTANTS

Melville, New York
January 11, 2022

JEWISH FAMILY & CHILDREN'S SERVICES OF NORTHERN NEW JERSEY, INC.
AND
JEWISH FAMILY SERVICE FOUNDATION, INC.
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

	2021				2020			
	Jewish Family & Children's Services of Northern New Jersey, Inc.	Jewish Family Service Foundation, Inc.	Eliminations	Consolidated Total	Jewish Family & Children's Services of Northern New Jersey, Inc.	Jewish Family Service Foundation, Inc.	Eliminations	Consolidated Total
ASSETS								
Cash and cash equivalents	$ 943,570	$ 57,282	$ -	$ 1,000,852	$ 1,309,748	$ 39,052	$ -	$ 1,348,800
Investments	25,000	924,847	-	949,847	-	638,261	-	638,261
Accounts receivable	340,589	-	-	340,589	221,769	-	-	221,769
Due from related party	-	32,000	(32,000)	-	-	48,000	(48,000)	-
Prepaid expenses and other assets	49,771	-	-	49,771	82,371	-	-	82,371
Cemetery plots	7,200	-	-	7,200	7,200	-	-	7,200
Property and equipment, net	1,037,159	-	-	1,037,159	1,050,824	-	-	1,050,824
TOTAL ASSETS	$ 2,403,289	$ 1,014,129	$ (32,000)	$ 3,385,418	$ 2,671,912	$ 725,313	$ (48,000)	$ 3,349,225
LIABILITIES AND NET ASSETS								
Liabilities:								
Accounts payable and accrued expenses	$ 600,912	$ -	$ -	$ 600,912	$ 643,027	$ -	$ -	$ 643,027
Due to related party	32,000	-	(32,000)	-	48,000	-	(48,000)	-
Deferred income	363,491	-	-	363,491	851,653	-	-	851,653
Refundable advances	-	-	-	-	590,900	-	-	590,900
Security deposits payable	2,194	-	-	2,194	2,194	-	-	2,194
Mortgage payable, net	344,477	-	-	344,477	358,277	-	-	358,277
Total liabilities	1,343,074	-	(32,000)	1,311,074	2,494,051	-	(48,000)	2,446,051
Commitments and contingencies (Notes 8, 10, 11 and 12)								
Net assets:								
Net assets without donor restriction	1,035,215	910,878	-	1,946,093	177,861	725,313	-	903,174
Net assets with donor restriction:								
Time-restricted for future periods	25,000	-	-	25,000	-	-	-	-
Donor restricted to be held in perpetuity	-	103,251	-	103,251	-	-	-	-
Total net assets with donor restriction	25,000	103,251	-	128,251	-	-	-	-
Total net assets	1,060,215	1,014,129	-	2,074,344	177,861	725,313	-	903,174
TOTAL LIABILITIES AND NET ASSETS	$ 2,403,289	$ 1,014,129	$ (32,000)	$ 3,385,418	$ 2,671,912	$ 725,313	$ (48,000)	$ 3,349,225

See accompanying notes to consolidating and consolidated financial statements.

JEWISH FAMILY & CHILDREN'S SERVICES OF NORTHERN NEW JERSEY, INC. AND
JEWISH FAMILY SERVICE FOUNDATION, INC.
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR
THE YEAR ENDED JUNE 30, 2020)

		2021							2020
		Jewish Family & Children's Services of Northern New Jersey, Inc.			Jewish Family Service Foundation, Inc.				
		Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total	Consolidated Total	Consolidated Total
Public support and other revenue:									
Public support:									
Jewish Federation of Northern New Jersey		$ 1,016,330	$ -	$ 1,016,330	$ -	$ -	$ -	$ 1,016,330	$ 855,186
Grant income		4,077,734	-	4,077,734	-	-	-	4,077,734	3,290,752
Contributions		1,062,940	25,000	1,087,940	18,000	100,000	118,000	1,205,940	424,534
Fundraising events revenue:									
Fundraising events	$ 188,647								
Less: direct costs	21,195								
Net fundraising events revenue		167,452	-	167,452	-	-	-	167,452	446,745
Total public support		6,324,456	25,000	6,349,456	18,000	100,000	118,000	6,467,456	5,017,217
Other revenue:									
Counseling fees		841,096	-	841,096	-	-	-	841,096	569,592
Program fees - school-based services		293,845	-	293,845	-	-	-	293,845	1,272,158
Other program fees		102,092	-	102,092	-	-	-	102,092	97,834
Rental income (loss):									
Rental income	$ 14,400								
Less: rental expenses	64,248								
Net rental loss		(49,848)	-	(49,848)	-	-	-	(49,848)	(15,427)
Investment income (loss)		445	-	445	167,565	3,251	170,816	171,261	(14,109)
Other		16,574	-	16,574	-	-	-	16,574	6,699
Total other revenue		1,204,204	-	1,204,204	167,565	3,251	170,816	1,375,020	1,916,747
Total public support and other revenue		7,528,660	25,000	7,553,660	185,565	103,251	288,816	7,842,476	6,933,964

See accompanying notes to consolidating and consolidated financial statements.

JEWISH FAMILY & CHILDREN'S SERVICES OF NORTHERN NEW JERSEY, INC. AND JEWISH FAMILY SERVICE FOUNDATION, INC.
CONSOLIDATING STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED JUNE 30, 2020)

	2021							2020
	Jewish Family & Children's Services of Northern New Jersey, Inc.			Jewish Family Service Foundation, Inc.				
	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total	Consolidated Total	Consolidated Total
Total public support and other revenue (continued)	$ 7,528,660	$ 25,000	$ 7,553,660	$ 185,565	$ 103,251	$ 288,816	$ 7,842,476	$ 6,933,964
Expenses:								
Program services:								
Family counseling	994,008	-	994,008	-	-	-	994,008	1,003,224
Senior adults	3,828,475	-	3,828,475	-	-	-	3,828,475	3,416,996
Adult case management	466,124	-	466,124	-	-	-	466,124	286,093
School-based services	494,361	-	494,361	-	-	-	494,361	1,090,635
Community social work	122,935	-	122,935	-	-	-	122,935	123,847
Total program services	5,905,903	-	5,905,903	-	-	-	5,905,903	5,920,795
Supporting services:								
Management and general	770,666	-	770,666	-	-	-	770,666	852,728
Fundraising	585,637	-	585,637	-	-	-	585,637	614,992
Total supporting services	1,356,303	-	1,356,303	-	-	-	1,356,303	1,467,720
Total expenses	7,262,206	-	7,262,206	-	-	-	7,262,206	7,388,515
Other income:								
Forgiveness of refundable advances	590,900	-	590,900	-	-	-	590,900	-
Change in net assets	857,354	25,000	882,354	185,565	103,251	288,816	1,171,170	(454,551)
Net assets - beginning	177,861	-	177,861	725,313	-	725,313	903,174	1,357,725
NET ASSETS - ENDING	$ 1,035,215	$ 25,000	$ 1,060,215	$ 910,878	$ 103,251	$ 1,014,129	$ 2,074,344	$ 903,174

See accompanying notes to consolidating and consolidated financial statements.

JEWISH FAMILY & CHILDREN'S SERVICES OF NORTHERN NEW JERSEY, INC. AND
JEWISH FAMILY SERVICE FOUNDATION, INC.
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR
THE YEAR ENDED JUNE 30, 2020)

	2021												2020
	Program Services						Supporting Services						
	Family Counseling	Senior Adults	Adult Case Management	School-Based Services	Community Social Work	Program Services Total	Management and General	Fund-raising	Direct Cost of Fund-raising Events	Rental Expenses	Supporting Services Total	Grand Total	Summarized Total
Personnel costs:													
Salaries	$ 393,125	$ 583,020	$ 158,392	$ 299,701	$ 99,207	$ 1,533,445	$ 422,960	$378,713	$ -	$ -	$ 801,673	$ 2,335,118	$ 2,736,710
Payroll taxes and employee benefits	56,964	115,940	29,721	62,082	15,709	280,416	79,974	86,523	-	-	166,497	446,913	452,627
Total personnel costs	450,089	698,960	188,113	361,783	114,916	1,813,861	502,934	465,236	-	-	968,170	2,782,031	3,189,337
Other expenses:													
Professional, counseling and staffing fees	490,648	2,696,357	300	70,222	-	3,257,527	55,457	29,305	-	-	84,762	3,342,289	3,059,214
Accounting and other fees	-	-	-	3,069	-	3,069	47,674	158	-	-	47,832	50,901	94,168
Supplies	2,318	4,640	1,245	14,624	-	22,827	22,155	1,684	-	-	23,839	46,666	41,407
Assistance to individuals	-	48,257	165,079	-	-	213,336	322	-	-	-	322	213,658	116,973
Travel and development	2,030	14,605	4,265	396	-	21,296	3,232	25	-	-	3,257	24,553	41,928
Telephone	59	876	437	6,655	-	8,027	16,740	1,080	-	-	17,820	25,847	27,163
Postage and shipping	161	2,537	143	11	-	2,852	1,585	7,184	-	-	8,769	11,621	6,221
Minor equipment	2,035	3,969	-	2,034	-	8,038	21,205	2,585	-	1,731	25,521	33,559	30,341
Printing and design	125	-	-	-	-	125	94	17,392	-	-	17,486	17,611	14,901
Advertising and public relations	872	-	310	-	-	1,182	-	20,976	9,876	-	30,852	32,034	58,833
Food and venue	-	-	87,231	6,991	-	94,222	1,288	10,910	11,142	-	23,340	117,562	220,863
Food - KMOW	-	303,936	-	-	-	303,936	-	-	-	-	-	303,936	241,390
Dues and conferences	7,102	1,229	877	408	-	9,616	24,633	3,785	-	-	28,418	38,034	20,045
Rent and occupancy	-	9,000	-	6,500	-	15,500	-	-	-	38,900	38,900	54,400	138,723
Occupancy	13,795	20,459	5,558	10,517	3,481	53,810	14,937	13,289	-	3,951	32,177	85,987	91,812
Bad debt expense	-	-	-	-	-	-	-	-	-	-	-	-	2,401
Insurance	9,432	9,273	4,678	4,246	1,721	29,350	14,952	4,470	177	-	19,599	48,949	44,989
Interest	-	-	-	-	-	-	2,400	-	-	15,187	17,587	17,587	19,035
Depreciation	15,342	14,377	7,838	6,905	2,800	47,262	38,080	7,558	-	4,479	50,117	97,379	94,015
Miscellaneous	-	-	50	-	17	67	2,978	-	-	-	2,978	3,045	4,637
Total other expenses	543,919	3,129,515	278,011	132,578	8,019	4,092,042	267,732	120,401	21,195	64,248	473,576	4,565,618	4,369,059
TOTAL EXPENSES	994,008	3,828,475	466,124	494,361	122,935	5,905,903	770,666	585,637	21,195	64,248	1,441,746	7,347,649	7,558,396
Less: expenses deducted directly from revenues on the consolidating statement of activities:													
Direct cost of fundraising events	-	-	-	-	-	-	-	-	21,195	-	21,195	21,195	140,054
Rental expenses	-	-	-	-	-	-	-	-	-	64,248	64,248	64,248	29,827
Total expenses reported by function on the consolidating statement of activities	$ 994,008	$3,828,475	$ 466,124	$ 494,361	$ 122,935	$ 5,905,903	$ 770,666	$585,637	$ -	$ -	$ 1,356,303	$ 7,262,206	$ 7,388,515

See accompanying notes to consolidating and consolidated financial statements.

JEWISH FAMILY & CHILDREN'S SERVICES OF NORTHERN NEW JERSEY, INC.
AND
JEWISH FAMILY SERVICE FOUNDATION, INC.
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	$ 1,171,170	$ (454,551)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Forgiveness of refundable advances	(590,900)	-
Net unrealized gain on investments	(175,164)	-
Donated securities	-	12,542
Bad debt expense	-	2,401
Depreciation	97,379	94,015
Amortization of deferred financing costs	786	786
Changes in assets and liabilities:		
Accounts receivable	(118,820)	442,067
Prepaid expenses and other assets	32,600	(14,058)
Accounts payable and accrued expenses	(42,115)	114,247
Deferred income	(488,162)	263,260
Net cash provided by (used in) operating activities	(113,226)	460,709
Cash flows from investing activities:		
Proceeds from sale of investments	6,578	20,974
Purchases of investments	(143,000)	(1,264)
Purchase of fixed assets	(83,714)	(4,006)
Net cash provided by (used in) investing activities	(220,136)	15,704
Cash flows from financing activities:		
Principal payments of mortgage payable	(14,586)	(13,941)
Proceeds from refundable advances	-	590,900
Net cash provided by (used in) financing activities	(14,586)	576,959
Net increase (decrease) in cash and cash equivalents	(347,948)	1,053,372
Cash and cash equivalents - beginning	1,348,800	295,428
CASH AND CASH EQUIVALENTS - ENDING	$ 1,000,852	$ 1,348,800
Supplemental disclosures of cash flow information:		
Interest paid	$ 15,187	$ 15,835

See accompanying notes to consolidating and consolidated financial statements.

NOTE 1. NATURE OF ORGANIZATION

Jewish Family Services, Inc. ("JFS") was organized on December 4, 1978. Effective January 1, 2017, Jewish Family Service of North Jersey, Inc., with offices in Fair Lawn and Wayne, merged with JFS, which is the surviving organization, to form Jewish Family and Children's Services of Northern New Jersey, Inc. ("JFCSNNJ").

Jewish Family Service Foundation, Inc. ("JFSF") was organized in 2009 as a not-for-profit organization under the laws of the state of New Jersey and began operations in 2012 with the sole purpose of raising funds to support JFCSNNJ.

The JFCSNNJ mission statement reads:

> Based on Jewish tradition and values, JFCSNNJ's mission is to strengthen and enhance the well-being of all who call upon us by providing professional and compassionate human services to effectively meet life's many challenges.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

The accompanying consolidating and consolidated financial statements include the accounts of JFCSNNJ and JFSF (collectively referred to as the "Organization"). The financial statements have been consolidated because JFCSNNJ maintains an economic interest in and control of JFSF through common board membership and the ability to elect JFSF board members. All significant intercompany accounts and transactions have been eliminated in consolidation.

Financial statement presentation

The accompanying consolidating and consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which requires the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets with Donor Restrictions - Net assets subject to donor-imposed restrictions. The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidating statement of activities as net assets released from restrictions. At June 30, 2021, there were restricted assets related to an endowment fund received by the Organization and time-restricted investments. At June 30, 2020, there were no net assets with donor restrictions.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently adopted accounting pronouncement

Revenue recognition
In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers* ("Topic 606"), with several clarifying updates issued subsequently. In conjunction with Topic 606, a new subtopic, Accounting Standards Codification ("ASC") 340-40, *Other Assets and Deferred Costs - Contracts with Customers*, was also issued. The updated standard replaces most existing revenue recognition and certain costs guidance under U.S. GAAP. Topic 606 and Subtopic 340-40, are collectively referred to as "ASC 606." ASC 606 replaces existing accounting standards for revenue recognition and establishes principles for recognizing revenue upon the transfer of promised goods or services to customers based on the expected consideration to be received in exchange for those goods and services.

The Organization adopted ASC 606 effective July 1, 2020, using the modified retrospective transition method. Use of the modified retrospective approach means the Organization's comparative periods prior to initial application are not restated. The Organization has determined that the adjustments using the modified retrospective approach did not have a material impact on the date of the initial application along with the disclosure of the effect on prior periods. The Organization did not apply any practical expedients in implementing ASC 606.

Contributions
In June 2018, FASB issued ASU No. 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made* ("ASU 2018-08"), which provides guidance for determining whether a transaction should be accounted for as a contribution or an exchange transaction, and whether a contribution is conditional or unconditional. This ASU is effective for years beginning after December 15, 2018. The Organization adopted ASU 2018-08 effective July 1, 2019, using the modified prospective method. Under the modified prospective method, the amendments are applied to agreements that are either not completed as of the effective date or entered into after the effective date. The Organization has determined that the application of the amendments of ASU 2018-08 did not have a material impact on the Organization's consolidating and consolidated financial statements and related disclosures.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently issued but not yet effective accounting pronouncements

Leases

In February 2016, FASB issued ASU No. 2016-02, *Leases* ("ASU 2016-02"). This update requires all leases with a term greater than 12 months to be recognized on the statement of financial position through a right-of-use asset and a lease liability and the disclosure of key information pertaining to leasing arrangements. In July 2018, FASB also issued ASU No. 2018-10, *Codification Improvements to Topic 842* and ASU No. 2018-11, *Leases: Targeted Improvements*, which provided narrow amendments to clarify how to apply certain aspects of the new leases standard and options regarding transition. The standard requires either a modified retrospective transition approach with application in all comparative periods presented, or an alternative transition method, which permits the Organization to use its effective date as the date of initial application without restating the comparative period consolidating and consolidated financial statements and recognizing any cumulative effect adjustment to the opening statement of financial position. In November 2019, FASB issued ASU No. 2019-10 *Financial Statements - Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842).* ASU No. 2019-10 amended the effective date for ASU 2016-02 and related amendments. ASU 2016-02, as amended, is effective for fiscal years beginning after December 15, 2020. In June 2020, FASB issued ASU No. 2020-05, *Revenue from Contracts with Customers* (Topic 606) and *Leases* (Topic 842) ("ASU 2020-05"). ASU 2020-05 provided for an optional election to defer the effective date for Topic 842 and related amendments for an additional year. Entities may elect to adopt the guidance on the adoption of Topic 842 for annual reporting periods beginning after December 15, 2021. The Organization has determined to defer Topic 842 and is evaluating the impact this new guidance will have on its consolidating and consolidated financial statements and related disclosures.

Contributed nonfinancial assets

In September 2020, FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* ("ASU 2020-07), which will increase the transparency of contributed nonfinancial assets through enhancements to presentation and disclosures. ASU 2020-07 is effective for fiscal years beginning after June 15, 2021, with early adoption permitted. The Organization is evaluating the effect that ASU 2020-07 will have on its consolidating and consolidated financial statements and related disclosures.

Use of estimates

The preparation of consolidating and 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 disclosure of contingent assets and liabilities at the date of the consolidating and consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional allocation of expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the accompanying consolidating and consolidated statements of activities and functional expenses. Accordingly, certain costs have been allocated among the program and supporting services in reasonable amounts and ratios determined by management. Program services include costs directly associated with providing family counseling, including weekly outpatient therapy for family members facing various challenges; senior services, including in-home assessments, care management, Kosher Meals-on-Wheels, caregiver support and emergency assistance for seniors and their caregivers; other services, including information and referral, food pantry, emergency assistance and case management; after-school programming in various school districts; outreach and needs assessment, as well as group programming in the community; and camp scholarships offered as a component of treatment or service goals. Management and general expenses include costs indirectly related to the Organization's purpose or mission, such as back-office accounting and office and personnel administration. Fundraising expenses include costs incurred in connection with solicitation activities undertaken by the Organization. Rental expenses include costs incurred related to maintenance and ownership of properties owned by the Organization and rented to other parties.

The expenses that are allocated include the following:

Expense	Method of Allocation
Depreciation	Square footage occupied
Office expenses	Directly charged
Professional fees	Directly charged
Rent	Square footage occupied
Salaries and employee benefits	Time and effort
Travel and entertainment	Directly charged
Utilities	Square footage occupied

Cash and cash equivalents

Cash and cash equivalents consist primarily of cash on deposit and money market accounts that are readily convertible into cash. The Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Fair value measurements

FASB ASC 820, *Fair Value Measurement*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Under this standard, fair value is defined as the exit price, or the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value measurements (continued)

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 - inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 - inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and, inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Donations-in-kind

Donations of noncash assets are recorded at their fair values at the date received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, and are provided by individuals possessing those skills, are recorded at their fair values in the period received.

Accounts receivable

Accounts receivable are reported at their outstanding unpaid principal balances reduced by an allowance for doubtful accounts. On a periodic basis, management evaluates such receivables and establishes an allowance for doubtful accounts based on a history of write-offs and collections and current credit conditions. At June 30, 2021 and 2020, there was no allowance for doubtful accounts for accounts receivable, respectively.

Investments

Investments are reported at fair value. Fair value is 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. See Note 4 for a discussion of fair value measurements.

Investment transactions are recorded on a trade-date basis. Unrealized gains and losses represent the net change in the carrying value of securities owned as of the date of the consolidating statement of financial position. Realized gains and losses on investments are determined using the specific-identification method. Earnings from dividends are recognized on the ex-dividend date.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and equipment

Property and equipment are stated at cost if acquired or at their fair values at the date of donation. Maintenance and repairs are charged to operations when incurred. Expenditures that increase the value or significantly extend the lives of assets with a cost of $5,000 or more are capitalized. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, which range from five to 10 years for furniture and equipment and 10 to 30 years for building and improvements. When property and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations.

Revenue and support recognition

The Organization derives revenue and support primarily from grants, contributions, and program and counseling fees.

Year ended June 30, 2021

The Organization adopted FASB ASC Topic 606, *Revenue from Contracts with Customers* ("Topic 606") on July 1, 2020. With the adoption of Topic 606, revenue is measured based on the consideration specified in a contract with a customer, and excludes any amounts collected on behalf of third parties. Under Topic 606, the Organization recognizes revenue when it satisfies a performance obligation by transferring control over a service to a customer. The majority of the Organization's services are treated as a single performance obligation that is satisfied as the services are rendered. The Organization determines the transaction price based on contractually agreed upon rates, adjusted for any variable consideration, if any.

Program services are offered by the Organization throughout the course of the year. Revenues from these services are recognized at the point in which control over the services are rendered. Event revenue is recognized over the period the event takes place.

Revenue is reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor restrictions or by law. Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from donor restrictions.

Year ended June 30, 2020

Contributions, including beneficial interests in remainder trusts, are recognized as revenue when they are unconditionally promised. Conditional promises to give are recognized as contributions when substantially all conditions are met. All other donor-restricted contributions are reported as increases in "Net assets with donor restrictions." When a restriction expires, restricted net assets are reclassified to unrestricted net assets and reported in the consolidating statement of activities as "Net assets released from restrictions."

Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and support recognition (continued)

Year ended June 30, 2020 (continued)
Special event income is recognized when the event has taken place.

Revenue from cost-reimbursement grants is recognized when the Organization has expended the program costs in accordance with the grant agreements. Advances from grantor agencies prior to the Organization's expenditures are reflected on the accompanying consolidating statements of financial position as "Deferred income."

Revenue generated from program and counseling fees is recognized when such services are rendered.

Advertising
Advertising costs are expensed as incurred and aggregated $32,034 and $32,455 for the years ended June 30, 2021 and 2020, respectively.

Deferred financing costs
Deferred financing costs are recorded at cost and are amortized using the straight-line method, which approximates the effective interest method, over the terms of the respective loan. Amortization of loan fees amounted to $786 for each of the years ended June 30, 2021 and 2020, and is included in "Management and general" on the accompanying consolidating statement of activities. The corresponding mortgage payable is shown net of unamortized loan cost at June 30, 2021 and 2020.

Income taxes
JFCSNNJ and JFSF qualify as tax-exempt, not-for-profit organizations under Section 501(c)(3) of the Internal Revenue Code (the "IRC"). As a not-for-profit entity, the Organization is subject to unrelated business income tax, if applicable.

The Organization recognizes and measures its unrecognized tax benefits in accordance with FASB ASC 740, *Income Taxes*. Under that guidance, the Organization assesses the likelihood, based on their technical merit, that tax positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available or when an event occurs that requires a change.

Management has evaluated the Organization's tax positions and has concluded that the Organization has taken no uncertain tax positions that require adjustment to the accompanying consolidating and consolidated financial statements.

Summarized comparative information
The consolidating and consolidated financial statements include certain prior-year summarized comparative information in total but not by net asset or functional classification. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's consolidating and consolidated financial statements for the year ended June 30, 2020, from which this summarized information was derived.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent events

In accordance with FASB ASC 855, *Subsequent Events*, the Organization has evaluated subsequent events through January 11, 2022, the date on which these consolidating and consolidated financial statements were available to be issued. Except as disclosed in Note 13, there were no material subsequent events that required recognition or additional disclosure in these consolidating and consolidated financial statements.

NOTE 3. CONCENTRATIONS OF CREDIT RISK

The Organization maintains cash balances with financial institutions which were routinely in excess of federal insurance limits during the years ended June 30, 2021 and 2020. The Organization has not experienced any losses in these accounts, and management does not believe the Organization is exposed to any significant credit risks with respect to cash.

Revenue from the after-school program accounted for 3% and 18% of total public support and other revenue during the years ended June 30, 2021 and 2020, respectively.

Revenue from Jewish Federation of Northern New Jersey ("JFNNJ") accounted for 12% of total public support and other revenue during each of the years ended June 30, 2021 and 2020.

Revenue from Conference on Jewish Material Claims Against Germany, Inc. accounted for 34% and 36% of total public support and other revenue during the years ended June 30, 2021 and 2020, respectively.

Additionally, Medicare and Medicaid accounted for 10% and 41% of total accounts receivable at June 30, 2021 and 2020, respectively. Jewish Federation grant, NJ Holocaust grant and Passaic County Human Services grant accounted for 28%, 24% and 15%, respectively, of total accounts receivable at June 30, 2021. In 2020, the Jewish Federation grant, NJ Holocaust grant and Claims Conference grant accounted for 14%, 18%, and 11% respectively, of total accounts receivable.

NOTE 4. FAIR VALUE MEASUREMENTS

Assets and liabilities measured at fair value are based on one or more of three valuation techniques identified in the table below. The valuation techniques are as follows:

a) *Market approach*. Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;

b) *Cost approach*. Amount that would be required to replace the service capacity of an asset (replacement cost); and

c) *Income approach*. Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques, option-pricing and excess earnings models).

NOTE 4. FAIR VALUE MEASUREMENTS (CONTINUED)

The following tables present the investments measured at fair value by level at June 30, 2021 and 2020:

Description	Total at June 30, 2021	Level 1	Level 2	Level 3	Valuation Technique
Assets in fair value hierarchy:					
Money market funds	$ 102,633	$ 102,633	$ -	$ -	(a)
International bonds	25,000	-	25,000	-	(b)
Total investments in fair value hierarchy	127,633	$ 102,633	$ 25,000	$ -	
Investments measured at net asset value *	822,214				
Total investments at fair value	$ 949,847				

Description	Total at June 30, 2020	Level 1	Level 2	Level 3	Valuation Technique
Assets in fair value hierarchy:					
Money market funds	$ 102,641	$ 102,641	$ -	$ -	(a)
Total investments in fair value hierarchy	102,641	$ 102,641	$ -	$ -	
Investments measured at net asset value *	535,620				
Total investments at fair value	$ 638,261				

* Pooled investment account

The following is a description of the valuation methodologies used for assets measured at fair value:

Money market funds - the carrying value approximates fair value because the instruments are liquid in nature.

International bonds - stated at the purchase price plus accrued interest-to-date, which approximates fair value.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with those of other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

NOTE 4. FAIR VALUE MEASUREMENTS (CONTINUED)

Net asset value per share

	Fair Value	Unfunded Commitments	Redemption Frequency	Other Redemption Restrictions	Redemption Notice Period
JFNNJ - Pooled Investment Account at June 30, 2021	$ 822,214	$ -	Monthly	None	30 days

	Fair Value	Unfunded Commitments	Redemption Frequency	Other Redemption Restrictions	Redemption Notice Period
JFNNJ - Pooled Investment Account at June 30, 2020	$ 535,620	$ -	Monthly	None	30 days

The *JFNNJ pooled investment account* is valued at JFCSNNJ's share of the investments of the JFNNJ pooled investments as reported by JFNNJ and its investment managers and advisors. The methods and procedures used to value these investments may include but are not limited to: (1) performing comparisons with prices of comparable or similar securities; (2) obtaining valuation-related information from issuers; and/or (3) other analytical data relating to the investment and using other available indications of value, absent readily available market values.

NOTE 5. PROPERTY AND EQUIPMENT

The following is an analysis of property and equipment for the years ended June 30, 2021 and 2020:

	2021		
	Cost	Accumulated Depreciation	Net
Land	$ 536,700	$ -	$ 536,700
Automobiles	38,887	(2,778)	36,109
Building and improvements	1,149,936	(769,448)	380,488
Software	130,950	(61,656)	69,294
Furniture and equipment	188,767	(174,199)	14,568
	$ 2,045,240	$ (1,008,081)	$ 1,037,159

	2020		
	Cost	Accumulated Depreciation	Net
Land	$ 536,700	$ -	$ 536,700
Building and improvements	1,109,087	(717,301)	391,786
Software	130,950	(35,466)	95,484
Furniture and equipment	184,790	(157,936)	26,854
	$ 1,961,527	$ (910,703)	$ 1,050,824

Depreciation and amortization expense for the years ended June 30, 2021 and 2020, was $97,379 and $94,015, respectively.

NOTE 6. LIQUIDITY AND AVAILABILITY

The Organization typically receives grants and contracts with donor restrictions and contributions without donor restrictions. Contributions received with donor restrictions are to be used in accordance with the associated purpose restrictions. Typically, restrictions are released during the year received.

The table below presents financial assets available for general expenditures for the years ended June 30, 2021 and 2020:

	2021	2020
Financial assets at year end:		
Cash and cash equivalents	$ 1,000,852	$ 1,348,800
Investments	949,847	638,261
Accounts receivable	340,589	221,769
Total financial assets available	2,291,288	2,208,830
Less assets unavailable for general expenditures:		
Donor restricted net assets	128,251	-
Financial assets available to meet general expenditures within one year	$ 2,163,037	$ 2,208,830

As part of the Organization's liquidity management, it has a goal to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

NOTE 7. NET ASSETS

The Organization's net assets with donor restrictions are available to satisfy the following purposes as of June 30, 2021:

Restricted to future periods	$ 25,000

Net assets required to be held in perpetuity with donor restrictions at June 30, 2021, are restricted for the following purposes:

Mental health services	$ 103,251

NOTE 8. MORTGAGE PAYABLE

In September 2017, JFCSNNJ entered into a 10-year mortgage agreement with a financial institution in the amount of $400,000 which bears interest at the rate of 4.19% per annum. The loan is secured by the building located in Teaneck, New Jersey, and is due with a balloon principal payment of $243,818 on October 10, 2027 . A secured line of credit for a maximum amount of $250,000 was also granted to JFCSNNJ. Borrowings under this line of credit bear interest at the rate of Prime (3.25% at June 30, 2021 and 2020) plus 1% per annum. There was no outstanding balance on this line of credit at June 30, 2021 and 2020.

NOTE 8. MORTGAGE PAYABLE (CONTINUED)

Principal payments due in the next five years and thereafter at June 30, 2021, are as follows:

Year ending June 30:		Amount
2022	$	15,222
2023		15,872
2024		16,520
2025		17,272
2026		18,020
Thereafter		266,479
		349,385
Less: unamortized deferred financing costs		4,908
	$	344,477

Interest expense amounted to $15,187 and $15,835 for the years ended June 30, 2021 and 2020, respectively.

NOTE 9. ENDOWMENT

On April 13, 2021, the Organization received a donor restricted contribution to be used for the establishment of a permanent endowment fund (the "Endowment"). The purpose of the Endowment is to provide funding for mental health services provided by the Organization.

The board of trustees has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At June 30, 2021, there were no such donor stipulations. As a result of this interpretation, the Organization will retain in perpetuity (a) the original value of the initial and subsequent gift amounts, including promises to give net of discount and allowance for doubtful accounts donated to the Endowment and (b) any accumulations to the Endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added.

Donor restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

The Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted Endowment funds:

- The duration and preservation of the Endowment fund
- The purposes of the Organization and the donor-restricted Endowment fund
- General economic conditions, including possible effects of inflation (deflation)
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

NOTE 9. ENDOWMENT (CONTINUED)

As of June 30, 2021, the Organization had the following Endowment net asset composition by type of fund:

	Without Donor Restriction	With Donor Restriction	Total
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	$ -	$ 100,000	$ 100,000
Earnings on donor-restricted gift amount required to be held for a period of time by donor	-	3,251	3,251
	$ -	$ 103,251	$ 103,251

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law ("Underwater Endowments"). The Organization has interpreted UPMIFA to permit spending from Underwater Endowments in accordance with prudent measures required under law. At June 30, 2021, the Organization did not have any Underwater Endowments.

The Organization had no endowment for the year ended June 30, 2020.

Investment and spending policies

The Organization has adopted investment and spending policies for the Endowment that attempt to provide a predictable stream of funding for operations while seeking to maintain the purchasing power of the endowment assets. Over time, long-term rates of return should be equal to an amount sufficient to maintain the purchasing power of the Endowment assets, to provide the necessary capital to fund the spending policy, and to cover the costs of managing the Endowment investments. The target minimum rate of return is 5%. Actual returns in any given year may vary from this amount. To satisfy this long-term rate-of-return objective, the investment portfolio is structured on a total-return approach through which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). A significant portion of the funds are invested to seek growth of principal over time.

The Organization will determine the maximum amount to spend from the Endowment. The amount that will be spent is adjusted from time to time by the board of directors and is applied to the average fair value of the Endowment investments for the prior 12 months at June 30 of each year to determine the spending amount for the upcoming year. As of June 30, 2021, the Organization is still determining the spending rate. In establishing this policy, the Organization is considering the long-term expected return on the Endowment and will set the rate with the objective of maintaining the purchasing power of the Endowment over time.

NOTE 10. EMPLOYEE SAVINGS PLAN

The Organization sponsors a 403(b) plan covering substantially all of its full-time employees. Under the plan, employees can elect to defer a percentage of their salary, subject to IRC limits, and the Organization may elect to make a discretionary contribution. The Organization made discretionary contributions in the amount of $61,594 and $56,667 for the years ended June 30, 2021 and 2020, respectively.

NOTE 11. COMMITMENTS

Leases

The Organization leases office space in Wayne, New Jersey. The lease was extended for five years beginning September 1, 2016, with an opt-out clause after three years with a six-month advance notice. In August 2019, the Organization cancelled its current Wayne lease and moved to a new Wayne location. The Organization also leases office space in Fair Lawn, New Jersey. The Fair Lawn lease was terminated effective August 1, 2020. In addition, the Organization leases school space in Fort Lee, Edgewater, Bayonne and Palisades Park, New Jersey, for school-based services. The leases are renewed annually with the respective school districts. Rent expense totaled $54,400 and $138,723 for the years ended June 30, 2021 and 2020, respectively.

Future minimum rental lease payments at June 30, 2021, are as follows:

Year ending June 30:	Amount
2022	$ 125,500
2023	6,000
	$ 131,500

The Organization leases copy machines. Equipment lease expense totaled $17,477 and $16,884 for the years ended June 30, 2021 and 2020, respectively.

Future minimum equipment lease payments at June 30, 2021, are as follows:

Year ending June 30:	Amount
2022	$ 22,470
2023	17,880
2024	17,880
2025	17,880
2026	16,390
	$ 92,500

NOTE 12. CONTINGENCIES

Revenue from cost-reimbursement grants is subject to audits and possible adjustments by the funding agencies. The effects of any such adjustments are recorded when reasonably determinable. Management believes that the effect of audit adjustments, if any, will not have a material effect on the accompanying consolidating and consolidated financial statements.

NOTE 13. PAYCHECK PROTECTION PROGRAM

On April 28, 2020, the Organization received loan proceeds of $590,900 under the Paycheck Protection Program (the "PPP"). The PPP, which was established as part of the Coronavirus Aid, Relief and Economic Security Act, provides for loans to qualifying businesses for amounts up to 2.5 times certain average monthly payroll expenses of the qualifying business. The loan and accrued interest, or a portion thereof, may be forgiven after 24 weeks so long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent, mortgage interest and utilities, and maintains its payroll levels, as defined by the PPP.

At least 60% of the loan proceeds must be spent on payroll costs, as defined by the PPP for the loan to be eligible for forgiveness. The amount of loan forgiveness will be reduced by any amounts received by the Organization as an advance as part of the Economic Injury Disaster Loan program, made available through the Small Business Administration ("SBA"), that is ultimately converted to a grant.

The PPP loan matures two years from the date of first disbursement of proceeds to the Organization (the "PPP Loan Date") and accrues interest at a fixed rate of 1%. Payments are deferred for the first six months and payable in 54 equal consecutive monthly installments of principal and interest commencing upon expiration of the deferral period of the PPP Loan Date.

The Organization applied for PPP loan forgiveness and received approval from the SBA in September 2021. The Organization has recorded $590,900 of forgiveness in the accompanying consolidating statement of activities as "Forgiveness of refundable advances." If it is determined that the Organization was not eligible to receive the PPP loan or that the Organization has not adequately complied with the rules, regulations and procedures applicable to the SBA's loan program, the Organization could be subject to penalties and could be required to repay the amounts previously forgiven.

NOTE 14. UNCERTAINTY

The COVID-19 outbreak in the United States has caused business disruption through mandated temporary closing of nonessential business. Economic uncertainties disrupted certain of the Organization’s operational activities. The Organization had temporarily cancelled after-school care and school-based activities during the year ended June 30, 2020, and had limited school-based activities in the year ending June 30, 2021. As of June 30, 2021, the Organization has not experienced a significant decline in grants, and its various revenue sources, however, given the uncertainty of this situation, the disruption to the Organization’s activities and the related financial impact cannot be reasonably estimated at this time.