

**JEWISH FAMILY SERVICE OF
GREATER HARTFORD, INC.**

Independent Auditors' Report
Consolidated Financial Statements

June 30, 2021 and 2020



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Jewish Family Service of Greater Hartford, Inc.

We have audited the accompanying consolidated financial statements of Jewish Family Service of Greater Hartford, Inc. (the "Agency") which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Jewish Family Service of Greater Hartford, 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.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules of financial position and activities on pages 17 through 20 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Whittlesey PC

Hartford, Connecticut
January 17, 2022

JEWISH FAMILY SERVICE OF GREATER HARTFORD, INC.

Consolidated Statements of Financial Position

June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Cash and cash equivalents	\$ 559,487	\$ 1,690,588
Grants receivable	424,000	88,521
Accounts receivable, net	289,876	329,693
Prepaid expenses	79,126	77,245
Investments	796,444	617,380
Equipment, software and leasehold improvements, net	<u>64,323</u>	<u>50,280</u>
 Total assets	 <u>\$ 2,213,256</u>	 <u>\$ 2,853,707</u>
 Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued liabilities	\$ 253,304	\$ 263,389
Deferred revenue and refundable advances	10,000	475,970
Notes payable - Paycheck Protection Program	<u>-</u>	<u>600,447</u>
 Total liabilities	 <u>263,304</u>	 <u>1,339,806</u>
 Net Assets		
Net assets without donor restrictions	1,777,643	1,311,341
Net assets with donor restrictions	<u>172,309</u>	<u>202,560</u>
 Total net assets	 <u>1,949,952</u>	 <u>1,513,901</u>
 Total liabilities and net assets	 <u>\$ 2,213,256</u>	 <u>\$ 2,853,707</u>

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

JEWISH FAMILY SERVICE OF GREATER HARTFORD, INC.

Consolidated Statement of Activities and Changes in Net Assets

For the year ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and support			
Federal and State grants	\$ 140,373	\$ -	\$ 140,373
Public support	447,425	90,376	537,801
Community foundations and other private grants	637,699	165,011	802,710
Holocaust Survivors Grants	634,168	-	634,168
Fee income, net	3,437,737	-	3,437,737
Other income	16,795	-	16,795
Net assets released due to satisfaction of restrictions	285,638	(285,638)	-
Total revenues and support	<u>5,599,835</u>	<u>(30,251)</u>	<u>5,569,584</u>
Expenses			
Chronic Needs	119,893	-	119,893
Family Counseling	305,906	-	305,906
Child Clinic	371,625	-	371,625
Older Adult	401,728	-	401,728
Holocaust Survivors	661,496	-	661,496
TANF Case Management	76,153	-	76,153
Other Programs	459,673	-	459,673
JFS Care at Home	2,787,461	-	2,787,461
Total program expenses	5,183,935	-	5,183,935
General and administrative	565,768	-	565,768
Fundraising	185,333	-	185,333
Total expenses	<u>5,935,036</u>	<u>-</u>	<u>5,935,036</u>
Changes in net assets from operations	<u>(335,201)</u>	<u>(30,251)</u>	<u>(365,452)</u>
Non-operating activities			
Forgiveness of debt - Paycheck Protection Program	600,447	-	600,447
Investment income, net	201,056	-	201,056
Total non-operating activities	<u>801,503</u>	<u>-</u>	<u>801,503</u>
Change in net assets	466,302	(30,251)	436,051
Net assets, beginning	<u>1,311,341</u>	<u>202,560</u>	<u>1,513,901</u>
Net assets, ending	<u>\$ 1,777,643</u>	<u>\$ 172,309</u>	<u>\$ 1,949,952</u>

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

JEWISH FAMILY SERVICE OF GREATER HARTFORD, INC.

Consolidated Statement of Activities and Changes in Net Assets

For the year ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and support			
Federal and State grants	\$ 124,027	\$ -	\$ 124,027
Public support	394,575	49,024	443,599
Community foundations and other private grants	396,743	546,801	943,544
Holocaust Survivors Grants	673,891	-	673,891
Fee income, net	2,461,584	-	2,461,584
Other income	15,687	-	15,687
Net assets released due to satisfaction of restrictions	556,534	(556,534)	-
Total revenues and support	<u>4,623,041</u>	<u>39,291</u>	<u>4,662,332</u>
Expenses			
Chronic Needs	104,271	-	104,271
Family Counseling	291,657	-	291,657
Child Clinic	277,397	-	277,397
Older Adult	348,404	-	348,404
Holocaust Survivors	700,051	-	700,051
TANF Case Management	96,242	-	96,242
Other Programs	324,674	-	324,674
JFS Care at Home	2,002,157	-	2,002,157
Total program expenses	4,144,853	-	4,144,853
General and administrative	471,731	-	471,731
Fundraising	182,139	-	182,139
Total expenses	<u>4,798,723</u>	<u>-</u>	<u>4,798,723</u>
Changes in net assets from operations	<u>(175,682)</u>	<u>39,291</u>	<u>(136,391)</u>
Non-operating activities			
Investment income, net	353	-	353
Total non-operating activities	<u>353</u>	<u>-</u>	<u>353</u>
Change in net assets	(175,329)	39,291	(136,038)
Net assets, beginning	<u>1,486,670</u>	<u>163,269</u>	<u>1,649,939</u>
Net assets, ending	<u>\$ 1,311,341</u>	<u>\$ 202,560</u>	<u>\$ 1,513,901</u>

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

JEWISH FAMILY SERVICE OF GREATER HARTFORD, INC.

Consolidated Statements of Functional Expenses

For the years ended June 30, 2021 and 2020

	2021											
	Program								Total Program	General and Administrative	Fundraising	Total
Chronic Needs	Family Counseling	Child Clinic	Older Adult	Holocaust Survivors	TANF Case Management	Other Programs	JFS Care At Home					
Salaries	\$ 65,620	\$ 204,410	\$ 302,697	\$ 323,791	\$ 88,712	\$ 46,209	\$ 184,545	\$ 2,328,346	\$ 3,544,330	\$ 438,294	\$ 132,488	\$ 4,115,112
Payroll taxes	5,257	19,276	24,888	22,811	10,710	4,154	14,556	221,049	322,701	8,266	10,182	341,149
Employee benefits	12,651	21,087	7,881	9,234	15,878	10,175	13,339	61,369	151,614	18,032	9,555	179,201
Assistance	30	2,704	4,000	3,051	529,636	291	129,950	7,648	677,310	-	-	677,310
Insurance	641	2,058	1,953	1,974	515	347	1,533	30,598	39,619	1,112	431	41,162
Public relations	-	-	-	-	-	-	28,028	21,308	49,336	3,575	5,665	58,576
Office expenses	1,064	2,874	2,469	2,731	2,309	1,201	7,229	48,622	68,499	22,807	9,810	101,116
Depreciation and amortization	3,958	5,470	-	-	1,511	765	5,701	1,595	19,000	-	950	19,950
Travel and conferences	34	418	111	105	295	352	187	3,192	4,694	864	76	5,634
Rent	14,561	5,822	4,835	13,563	5,811	4,241	13,892	10,111	72,836	26,639	2,156	101,631
Telephone	525	3,826	775	924	278	1,362	1,565	8,185	17,440	3,510	1,323	22,273
Dues and subscriptions	507	1,630	1,742	1,564	768	4,399	5,192	11,569	27,371	2,519	59	29,949
Professional fees	15,045	21,299	20,274	21,980	5,073	2,657	53,956	20,952	161,236	40,150	12,638	214,024
Bad debt	-	15,032	-	-	-	-	-	12,917	27,949	-	-	27,949
Total expenses	\$ 119,893	\$ 305,906	\$ 371,625	\$ 401,728	\$ 661,496	\$ 76,153	\$ 459,673	\$ 2,787,461	\$ 5,183,935	\$ 565,768	\$ 185,333	\$ 5,935,036

	2020											
	Program								Total Program	General and Administrative	Fundraising	Total
Chronic Needs	Family Counseling	Child Clinic	Older Adult	Holocaust Survivors	TANF Case Management	Other Programs	JFS Care At Home					
Salaries	\$ 64,708	\$ 211,145	\$ 228,804	\$ 256,756	\$ 107,694	\$ 50,614	\$ 151,764	\$ 1,635,800	\$ 2,707,285	\$ 349,472	\$ 132,159	\$ 3,188,916
Payroll taxes	3,723	35,429	11,728	13,101	8,402	2,852	10,568	159,832	245,635	16,767	7,035	269,437
Employee benefits	11,274	2,953	1,354	15,279	9,780	9,331	11,685	51,403	113,059	6,764	8	119,831
Assistance	573	3,014	1,701	6,009	559,077	6,390	73,476	8,997	659,237	-	-	659,237
Insurance	355	1,055	1,055	1,932	310	259	5,571	27,552	38,089	665	-	38,754
Public relations	-	-	-	32	-	-	6,721	7,693	14,446	10,974	1,734	27,154
Office expenses	1,759	6,942	5,719	6,459	1,805	1,720	5,368	32,227	61,999	13,741	12,890	88,630
Depreciation and amortization	901	2,673	2,673	3,117	786	658	1,587	-	12,395	769	-	13,164
Travel and conferences	719	1,006	2,124	3,237	333	2,652	1,833	2,422	14,326	214	-	14,540
Rent	9,724	8,190	8,040	27,487	8,092	6,317	15,612	11,513	94,975	2,441	11,940	109,356
Telephone	246	5,536	591	879	220	2,070	969	9,692	20,203	254	2,258	22,715
Dues and subscriptions	1,253	1,618	1,618	1,859	162	12,426	4,714	9,628	33,278	123	643	34,044
Professional fees	9,036	12,096	11,990	12,257	3,390	953	34,806	45,398	129,926	69,547	13,472	212,945
Total expenses	\$ 104,271	\$ 291,657	\$ 277,397	\$ 348,404	\$ 700,051	\$ 96,242	\$ 324,674	\$ 2,002,157	\$ 4,144,853	\$ 471,731	\$ 182,139	\$ 4,798,723

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

JEWISH FAMILY SERVICE OF GREATER HARTFORD, INC.

Consolidated Statements of Cash Flows

For the years ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Change in net assets	\$ 436,051	\$ (136,038)
Adjustments to reconcile change in net assets to net change in cash from operating activities		
Depreciation and amortization	19,950	13,164
Unrealized (gain)/loss on investments, net	(164,136)	24,955
Realized gain on investments, net	(38,396)	(26,930)
Forgiveness of debt - Paycheck Protection Program	(600,447)	-
(Increase)/decrease in:		
Grants receivable	(335,479)	33,688
Accounts receivable, net	39,817	(74,428)
Prepaid expenses	(1,881)	(24,875)
Increase/(decrease) in:		
Accounts payable and accrued liabilities	(10,085)	(3,854)
Deferred revenue and refundable advances	(465,970)	475,970
Net change in cash from operating activities	<u>(1,120,576)</u>	<u>281,652</u>
Cash flows from investing activities		
Distributions from endowment, net	23,468	19,075
Purchase of equipment and software	(33,993)	(57,368)
Net change in cash from investing activities	<u>(10,525)</u>	<u>(38,293)</u>
Cash flows from financing activities		
Proceeds from notes payable - Paycheck Protection Program	-	600,447
Net change in cash	(1,131,101)	843,806
Cash and cash equivalents, beginning of year	<u>1,690,588</u>	<u>846,782</u>
Cash and cash equivalents, end of year	<u>\$ 559,487</u>	<u>\$ 1,690,588</u>

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

JEWISH FAMILY SERVICE OF GREATER HARTFORD, INC.

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

NOTE 1 – ORGANIZATION

Jewish Family Service of Greater Hartford, Inc. (the “Agency”) is a multi-service organization dedicated to helping individuals and families deal with adversity and life cycle transitions. Guided by the highest professional standards in counseling, advocacy and educational programming, the Agency’s mission is to enhance and strengthen quality of life through the Jewish tradition of caring and compassion. The Agency achieves its mission by helping individuals and families progress toward emotional well-being, self-reliance and more positive relationships. The Agency has been in existence since 1912. The Agency serves all people regardless of race, ethnicity, religion, national origin, disability, gender or sexual orientation.

Services include programs for persons with chronic needs and disabilities, family counseling, Benet A. Rothstein Child Services Program, older adult services, the Holocaust Survivors Grant Programs, and TANF Case Management (a state funded welfare to work initiative). The Agency also has a Volunteer Program. As part of the Agency’s Economic Response Services, it offers a Kosher Food Pantry Program, Basic Human Needs Assistance, Case Management, and the Jewish Employment Transitions Service (“JETS”), which addresses the needs of unemployed persons to develop new job seeking skills and secure new employment. Tara’s Closet provides new/new-like clothing to those in need but also focuses on mental health education and awareness programming. Tara’s Closet also provides assistance for people in need of mental health services. The Agency continues to provide bilingual counseling to Russian speaking individuals resettled by the Agency. The state-mandated Parent Education Program enables the Agency to support families in transition with children who are dealing with divorce, separation or custody matters.

The Agency is licensed by the State of Connecticut Department of Public Health as an Adult Outpatient Psychiatric Clinic and by the Department of Children and Families as an outpatient psychiatric clinic for children and teens up to age eighteen. The Agency is nationally accredited by the Council on Accreditation (“COA”) through July 2023. The Agency is also an active member of the Connecticut Council of Family Service Agencies.

All operations of the Agency are overseen by a voluntary Board of Directors whose members are representative of the local community. The Agency receives funds from federal and state agencies and grants from community foundations. The Jewish Community Foundation and the Hartford Foundation for Public Giving are significant philanthropic funders. The Agency also receives contributions from individuals and family foundations. The Agency is further supported by federated giving through the Jewish Federation of Greater Hartford. Revenues from clients and private insurance as well as public insurance (Medicaid and Medicare) are additional sources of funding.

The consolidated financial statements of the Agency include JFS Care at Home, LLC (the “LLC”), formed in 2008. The LLC is a comprehensive companion and homemaker service for older adults who need assistance to remain in their homes, apartments or assisted living facilities. The Agency is the LLC’s sole member; the LLC’s Board of Managers includes the Agency’s Chief Executive Officer, Director of Clinical Services and the LLC’s Executive Director; and is responsible to the Agency’s Board of Directors. Intercompany transfers and balances between the Agency and the LLC have been eliminated in consolidation.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation – Consistent with accounting principles generally accepted in the United States of America, the accompanying consolidated financial statements have been prepared on the accrual basis of accounting. The Agency reports information regarding its activities according to two classes of net assets:

Net Assets without Donor Restrictions – Net assets without donor restrictions are available resources other than donor-restricted contributions. These resources may be expended at the discretion of the Board of Directors. Board designated net assets represent reserves or special designations established by the Board of Directors.

Net Assets with Donor Restrictions – Net assets with donor restrictions represent contributions that are restricted by the donor as to purpose or time of expenditures and also include accumulated investment income and gains on donor-restricted endowment assets that have not been appropriated for expenditure.

Revenues are 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 investments and other assets or liabilities, if any, are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation 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 reclassifications between the applicable classes of net assets.

To ensure observance of limitations and restrictions placed on the use of resources available, the Agency classifies assets, liabilities and net assets in accordance with their respective program group. Accordingly, all financial transactions have been recorded and reported by program groups as follows:

Chronic Needs	Holocaust Survivors
Family Counseling	TANF Case Management
Child Clinic	Other Programs
Older Adult	JFS Care at Home

Fee Income – Fee income is from performance obligations to provide counseling as well as homemaker and companion services. These services are recognized when performed, at which point the Agency deems the performance obligation to be satisfied. A significant portion of fee for service revenue is paid by government sponsored (Medicare and Medicaid) and private third-party payers. As a condition of accepting assignment and for the right to bill these third-party payers directly, the Agency must accept amounts lower than its established charges. Fee income is reported net of anticipated contractual rate adjustments for Medicare and Medicaid. The Agency determines transaction prices based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors and discounts provided to uninsured patients in accordance with the Agency’s policy. For patients not covered by Medicare or Medicaid, the Agency recognizes revenue on the basis of its standard charges. Based on historical experience, a significant portion of patients without full third-party payor coverage are unable or unwilling to pay their share of the charges. Accordingly, the Agency records any amount that is anticipated to be uncollected as bad debt expense.

Public Support, Community Foundations and Other Private Grants, and Federal and State Grants – The Agency receives contributions to support operating activities. The Agency records contributions receivable when there is sufficient evidence in the form of verifiable documentation that an unconditional promise was received. Conditional gifts, with a measurable performance or other barrier and right of return, are not recognized until the conditions on which they depend are substantially met or explicitly waived by the donor.

Cash and Cash Equivalents – Cash and cash equivalents include all bank deposits and highly-liquid investments with original maturity dates of less than three months. The Agency maintains its cash in bank accounts, which, at times, may exceed federally insured limits.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments – The Agency has a limited pool of funds that is currently managed by the Jewish Community Foundation of Greater Hartford, Inc. (“JCF”). The Budget & Finance Committee of the Board is charged with oversight/review of the fund investments. The actual investment strategy, management, purchases and sales of assets is delegated to the Investment Committee of JCF. The Agency follows an investment policy to meet its primary investment goals of preserving the long-term purchasing power of the Agency’s assets, while providing the maximum funding possible for the Agency’s overall operations.

Fair Value Measurement – The Agency follows the *Fair Value Measurements and Disclosures* topic of the FASB Accounting Standards Codification (FASB ASC 820), which defines fair value and establishes a framework for measuring fair value in accounting principle generally accepted in the United States of America. The topic defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The topic also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Three levels of inputs may be used to measure fair values:

- Level 1 – Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.
- Level 2 – Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 – Significant unobservable inputs that reflect the Agency’s own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Valuation techniques based on unobservable inputs are highly subjective and require judgments regarding significant matters such as the amount and timing of future cash flows and the selection of discount rates that may appropriately reflect market and credit risks. Changes in these judgments often have a material impact on the fair value estimates. In addition, since these estimates are as of a specific point in time, they are susceptible to material near-term changes.

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

Investments – Investments, which are held by JCF, are valued at the net asset value (“NAV”) reported by JCF, in accordance with FASB ASC 820.

Equipment, Software and Leasehold Improvements – Equipment, software and leasehold improvements are recorded at cost, less depreciation using the straight-line method over economic lives of five to seven years.

Tax Status – The Agency qualifies for exempt status as a public charity under Section 501(c)(3) of the Internal Revenue Code. Under Section 501(c)(3), the Agency is generally exempt from federal and state income taxes. JFS Care At Home, LLC is considered a disregarded entity for tax purposes, and as such is included under the tax status of the Agency.

Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Significant estimates include management’s estimate for the allowance for doubtful accounts and the estimate for depreciation expense. The allowance for doubtful accounts is based upon the collectability of the insurance billings and the depreciation expense is based upon the estimate of the useful lives being depreciated. For the years ended June 30, 2021 and 2020, the allowance for doubtful accounts was \$16,030 and \$9,762, respectively.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expense Allocation – The costs of providing program and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis and are based on time and effort. Expenses relating to occupancy are allocated based on square footage, and other expenses are allocated based upon time and effort of payroll.

Donated Materials – The Agency receives donations of food and clothing each year that it distributes to beneficiaries. The following amounts have been recorded in the statements of activities and changes in net assets for the years ended June 30,:

	<u>2021</u>	<u>2020</u>
Food	\$ 6,771	\$ 21,776
Services	3,278	-
Clothing	<u>406</u>	<u>6,088</u>
Total noncash assistance	<u>\$ 10,455</u>	<u>\$ 27,864</u>

Subsequent Events Measurement Date – The Agency monitored and evaluated any subsequent events for footnote disclosures or adjustments required in its financial statements for the year June 30, 2021 through January 17, 2022, the date on which the consolidated financial statements were available to be issued.

Reclassifications – The June 30, 2020 financial statements have been reclassified to conform with the current year presentation. The reclassifications have no effect on the previously reported change in net assets for the year ended June 30, 2020.

NOTE 3 – LIQUIDITY AND AVAILABILITY

The following represents the Agency’s financial assets available to meet general expenditures in the next twelve months at June 30,:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 559,487	\$ 1,690,588
Investments	796,444	617,380
Accounts receivable, net	289,876	329,693
Grants receivable, net	<u>424,000</u>	<u>88,521</u>
Total financial assets	2,069,807	2,726,182
Less donor restricted endowment	<u>(10,000)</u>	<u>(10,000)</u>
Financial assets available to meet general expenditures within twelve months	<u>\$ 2,059,807</u>	<u>\$ 2,716,182</u>

The Agency has the ability to transfer funds between Jewish Family Service of Greater Hartford and JFS Care at Home through intercompany due to/from accounts. The Agency maintains at least 90 days of liquid assets on hand to meet general operating expenditures.

NOTE 4 – INVESTMENTS

Investments are held for the benefit of the Jewish Family Service of Greater Hartford, Inc. by JCF. The value represents the Agency's share in the pooled investments at current market value as provided by JCF. The Agency has no control over how the funds are invested and sufficient notice must be given to JCF prior to requesting a distribution. The Agency receives statements on a quarterly basis from JCF, whose investments are mostly valued using Level 1 inputs. The Agency's investment in JCF is valued at NAV.

The Agency follows the *Not-for-Profit Entities* topic of the FASB Accounting Standards Codification, (FASB ASC 958) which describes the information that needs to be disclosed regarding its endowment funds. The topic requires certain minimum disclosures that are the description of JCF's spending policy, as well as its endowment investment policies. It also requires the following disclosures regarding the composition of the Agency's endowment by net asset class and a reconciliation of the beginning and ending balance of the Agency's endowment.

The reconciliation of the Agency's investments held by JCF by net asset category is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment
Investments, July 1, 2019	\$ 624,480	\$ 10,000	\$ 634,480
Net appreciation	1,975	-	1,975
Interest and dividends	4,712	-	4,712
Investment expense	(6,334)	-	(6,334)
Appropriations for expenditure	(17,453)	-	(17,453)
Investments, June 30, 2020	607,380	10,000	617,380
Net appreciation	202,532	-	202,532
Interest and dividends	4,656	-	4,656
Investment expense	(6,132)	-	(6,132)
Appropriations for expenditure	(21,992)	-	(21,992)
Investments, June 30, 2021	<u>\$ 786,444</u>	<u>\$ 10,000</u>	<u>\$ 796,444</u>

NOTE 5 – EQUIPMENT, SOFTWARE AND LEASEHOLD IMPROVEMENTS

Equipment, software and leasehold improvements as of June 30, 2021 and 2020 include the following:

	2021	2020
Furniture and equipment	\$ 216,438	\$ 189,945
Software	50,880	43,380
Leasehold improvements	<u>13,957</u>	<u>13,957</u>
Total fixed assets	281,275	247,282
Less accumulated depreciation and amortization	<u>(216,952)</u>	<u>(197,002)</u>
Equipment, software and leasehold improvements, net	<u>\$ 64,323</u>	<u>\$ 50,280</u>

NOTE 6 – NOTES PAYABLE - PAYCHECK PROTECTION PROGRAM

The Agency received approval for two Small Business Administration (“SBA”) Paycheck Protection Program (“PPP”) loans in the amount of \$354,207 and \$246,240 for the Agency and the LLC, respectively. Under the PPP, funds are forgivable if utilized for qualified expenditures according to the program criteria incurred over a period of eight to twenty-four weeks following the date of funding. In order to qualify for forgiveness, at least 60% of the funding must be spent on eligible payroll expenses, and up to 40% may be spent on other eligible expenses, such as rent and utilities. As outlined by the SBA, any unforgiven balance must be repaid over two years at an annual interest rate of 1% with an initial deferment period of ten months from the end of the covered period (interest will accrue). The Agency and the LLC used the funds for qualifying expenses for the year ending June 30, 2021, applied for forgiveness during the year ended June 30, 2021, and received full forgiveness of the loans on July 8, 2021. Accordingly, the full amounts are included as forgiveness of debt in the accompanying statement of activities and changes in net assets for the year ended June 30, 2021.

NOTE 7 – DEFERRED REVENUE AND REFUNDABLE ADVANCES

Deferred revenue represents sponsorships for the Mental Health Event that was postponed due to the outbreak of the COVID-19 pandemic. Deferred revenue for the year ended June 30, 2020 was \$57,340. There were no deferred Mental Health Event sponsorships for the year ended June 30, 2021.

The Agency takes part in a grant program with the Conference on Jewish Material Claims Against Germany, Inc. (“Claims Conference”) as the lead agency under an umbrella agreement that includes JFS New Haven as a sub-agency. The Agency is an intermediary for JFS New Haven therefore any funds received by the Claims Conference on behalf of JFS New Haven are recorded as liabilities until remitted to the specified beneficiary. Because the Claims Conference requires qualifying expenses to be incurred and that any unspent funds be returned, the Agency accounts for the grants as conditional contributions and recognizes revenue when the donor conditions have been substantially met. Typically, the Agency will bill the Claims Conference in arrears for qualifying expenses that have been incurred, however due to the COVID-19 pandemic a cash advance was provided for both the Agency and JFS New Haven. As the conditions of the contribution had not been met, the balance was recorded as a refundable advance total \$418,630 for the year ended June 30, 2020. There was no refundable advance to the Claims Conference as of June 30, 2021.

NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions represent resources with donor-imposed restrictions as to purpose or time of expenditure. Net assets with donor restrictions to be held in perpetuity total \$10,000 for the years ended June 30, 2021 and 2020 and were comprised of the Suzanne Jo Morales Fund.

NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Changes in net assets with donor restrictions include the following for the year ended June 30,:

	June 30, 2020	Additions	Release of Restrictions	June 30, 2021
Child Clinic	\$ 5,930	\$ 13,348	\$ (19,278)	\$ -
Chronic Needs	-	6,439	(6,439)	-
Family Clinic	2,250	-	(2,250)	-
Food Pantry	9,700	56,522	(26,572)	39,650
Human Needs	14,000	58,603	(47,604)	24,999
JETS Program	11,000	20,000	(21,000)	10,000
Mental Health	-	17,525	-	17,525
Older Adult	9,180	48,515	(50,573)	7,122
Tara's Closet	150,500	3,528	(111,922)	42,106
Anne Danaher Needs Fund	-	30,907	-	30,907
	<u>\$ 202,560</u>	<u>\$ 255,387</u>	<u>\$ (285,638)</u>	<u>\$ 172,309</u>
	June 30, 2019	Additions	Release of Restrictions	June 30, 2020
Child Clinic	\$ 30,375	\$ 13,950	\$ (38,395)	\$ 5,930
Chronic Needs	6,000	7,275	(13,275)	-
Family Clinic	6,250	9,750	(13,750)	2,250
Food Pantry	8,630	108,725	(107,655)	9,700
Human Needs	32,215	8,000	(26,215)	14,000
JETS Program	14,167	10,600	(13,767)	11,000
Older Adult	8,508	85,250	(84,578)	9,180
Tara's Closet	52,974	351,181	(253,655)	150,500
Transportation	4,150	1,094	(5,244)	-
	<u>\$ 163,269</u>	<u>\$ 595,825</u>	<u>\$ (556,534)</u>	<u>\$ 202,560</u>

NOTE 9 – POST-RETIREMENT EMPLOYEE BENEFIT PLAN

The Agency has a Section 403(b) Defined Contribution Retirement Plan covering substantially all of its employees. Employer contributions are discretionary. When the Agency makes a contribution, it matches the employee contributions on a dollar for dollar basis up to a maximum contribution of 4% based on each employee's years of service. All participants are fully vested once contributions have been made. For the years ended June 30, 2021 and 2020, the Agency made a discretionary contribution of \$29,435 and \$0-, respectively.

NOTE 10 – LEASES

The Agency rents its office space in the Jewish Community Services Building from the Federation under the terms of a lease, which is being paid on a month-to-month basis. The Agency pays rent and a proportionate share of taxes, maintenance and utilities. The rental expense for the years ended June 30, 2021 and 2020 was \$101,631 and \$109,356, respectively. Certain office equipment is leased under agreements with terms through the fiscal year ending June 30, 2022. Future minimum rental commitments under non-cancelable operating leases for the year ended June 30, 2022 are \$4,638.

The Agency sublet space through March 2020. Rental income included in other income on the consolidated statements of activities and changes in net assets was \$-0- and \$4,750 for the years ended June 30, 2021 and 2020, respectively.

NOTE 11 – DESIGNATED FUNDS

JCF holds various designated funds that identify the Agency as the beneficiary of the income generated from these funds. These funds are owned and controlled by JCF, which has variance power, and therefore, the funds are not included in the Agency's consolidated financial statements. Distributions to the Agency, which are recognized as contribution income when received, totaled \$52,398 and \$44,142 for the years ended June 30, 2021 and 2020, respectively. The fair value of these designated funds was \$1,233,145 and \$936,933 at June 30, 2021 and 2020, respectively.

NOTE 12 – CONTINGENCIES

From time to time the Agency is involved in litigation arising from its normal operating practices. Management is not aware of any pending matters that would materially affect the financial position of the Agency.

NOTE 13 – RELATED PARTY TRANSACTIONS

Several trustees of the Agency are also trustees of the Jewish Federation of Greater Hartford (the "Federation"). The Federation provided approximately 5% and 6% of the Agency's total revenues for the years ended June 30, 2021 and 2020, respectively. The Agency also rents office space from the Federation. Rental expense paid to the Federation was \$101,631 and \$109,356 for the years June 30, 2021 and 2020, respectively. Amounts payable to the Federation at June 30, 2021 and 2020 for rent were \$5,114 and \$32,726, respectively.

Several trustees of the Agency are also trustees of JCF. As discussed in Note 4, Agency funds of \$796,444 and \$617,380 as of June 30, 2021 and 2020, respectively, were held by Foundation. The Agency paid investment fees to JCF totaling \$6,132 and \$6,336 for the years ended June 30, 2021 and 2020, respectively. In addition, JCF holds designated funds subject to the variance power of JCF trustees as discussed in Note 11.

NOTE 14 – RISKS AND UNCERTAINTIES

The ongoing COVID-19 pandemic and the measures adopted by Connecticut to mitigate the pandemic's spread continue to significantly impact the programs and administration of the Agency in several ways as described below. There is still significant uncertainty over how the outbreak will impact the Agency's business in the future. Generally, the Agency experienced difficulty in business administration but was able to make some progress by integrating updated technology infrastructure and newer devices, which enabled remote working. Many staff needed to be reassigned tasks in order to work in this new way. There are notable program-specific impacts listed below by program.

Outpatient Clinic: The social distancing measures and stay at home orders required the Agency to close its outpatient clinic to in-patient services and move to completely virtual telehealth services. This impacted the number of billable minutes for the service. Furthermore, rules for teletherapy billing continues to vary carrier to carrier, which complicates our ability to monitor the remote working staff and remotely attending clients. The Agency was also able to continue serving individuals who could no longer afford the copayments or no longer had insurance due to job losses thanks to a generous donation from an individual who was concerned about the mental health of people during the pandemic.

JFS Care At Home: The pandemic continues to affect our expenses due to (1) the ongoing need for personal protective equipment (PPE) needed for both clients and caregivers was a very large, non-budgeted expense; (2) our ability to recruit caregivers was a persistent problem throughout the fiscal year; (3) Our existing caregivers were scared to work due to the risk of exposure, so to retain the staff and keep them active the Agency implemented a "COVID differential" which was effectively an extra \$1.00 - \$1.50 per hour as hazard pay to these frontline workers; and (4) the Agency's ability to launch a new brand, and develop new business was hindered significantly, which negatively impacted revenue projections that were assumed based on a re-branding launch and business development strategy.

Anja Rosenberg Kosher Food Pantry: We saw a 200% increase in clients to our food pantry this year. In addition to that volume increase, we had to change our operations from a choice pantry, in-person, model to a socially distanced, distribution at the curbside every other week. Foodshare, our regional food bank was strained from the vast need in the area, and so the Agency needed to find new ways to get enough food for the clients, which included buying all the food at retail costs and then giving it away. The Agency was only able to do this with support from the Jewish Community Foundation and the Jewish Federation of Greater Hartford who reimbursed the Agency for the costs of those items.

The Agency's donors contributed larger and more frequent gifts during the past fiscal year, mainly to support the community's needs in the face of the pandemic. Although the pandemic continues into the new fiscal year donations are not expected to match the levels of this current fiscal year.

SUPPLEMENTAL INFORMATION

JEWISH FAMILY SERVICE OF GREATER HARTFORD, INC.

Consolidating Schedule of Financial Position

June 30, 2021

	Jewish Family Service of Greater Hartford, Inc.	JFS Care At Home, LLC	Eliminating Entries	Consolidated Total
Assets				
Cash and cash equivalents	\$ 171,806	\$ 387,681	\$ -	\$ 559,487
Grants receivable	424,000	-	-	424,000
Accounts receivable, net	52,108	237,768	-	289,876
Due from affiliate	99,178	-	(99,178)	-
Prepaid expenses	53,134	25,992	-	79,126
Investments	796,444	-	-	796,444
Equipment, software and leasehold improvements (net of accumulated depreciation of \$232,951)	64,323	-	-	64,323
Total assets	<u>\$ 1,660,993</u>	<u>\$ 651,441</u>	<u>\$ (99,178)</u>	<u>\$ 2,213,256</u>
Liabilities and Net Assets				
Liabilities				
Accounts payable and accrued liabilities	\$ 182,692	\$ 70,612	\$ -	\$ 253,304
Deferred revenue and refundable advances	10,000	-	-	10,000
Due to affiliate	-	99,178	(99,178)	-
Total liabilities	<u>192,692</u>	<u>169,790</u>	<u>(99,178)</u>	<u>263,304</u>
Net Assets				
Net assets without donor restrictions	1,295,992	481,651	-	1,777,643
Net assets with donor restrictions	172,309	-	-	172,309
Total net assets	<u>1,468,301</u>	<u>481,651</u>	<u>-</u>	<u>1,949,952</u>
Total liabilities and net assets	<u>\$ 1,660,993</u>	<u>\$ 651,441</u>	<u>\$ (99,178)</u>	<u>\$ 2,213,256</u>

JEWISH FAMILY SERVICE OF GREATER HARTFORD, INC.

Consolidating Schedule of Financial Position

June 30, 2020

	Jewish Family Service of Greater Hartford, Inc.	JFS Care At Home, LLC	Eliminating Entries	Consolidated Total
Assets				
Cash and cash equivalents	\$ 1,321,677	\$ 368,911	\$ -	\$ 1,690,588
Grants receivable	88,521	-	-	88,521
Accounts receivable, net	90,071	239,622	-	329,693
Due from affiliate	80,735	-	(80,735)	-
Prepaid expenses	51,890	25,355	-	77,245
Investments	617,380	-	-	617,380
Equipment, software and leasehold improvements (net of accumulated depreciation of \$197,002)	48,685	1,595	-	50,280
Total assets	\$ 2,298,959	\$ 635,483	\$ (80,735)	\$ 2,853,707
Liabilities and Net Assets				
Liabilities				
Accounts payable and accrued liabilities	\$ 192,967	\$ 70,422	\$ -	\$ 263,389
Deferred revenue and refundable advances	475,970	-	-	475,970
Notes payable	354,207	246,240	-	600,447
Due to affiliate	-	80,735	(80,735)	-
Total liabilities	1,023,144	397,397	(80,735)	1,339,806
Net Assets				
Net assets without donor restrictions	1,073,255	238,086	-	1,311,341
Net assets with donor restrictions	202,560	-	-	202,560
Total net assets	1,275,815	238,086	-	1,513,901
Total liabilities and net assets	\$ 2,298,959	\$ 635,483	\$ (80,735)	\$ 2,853,707

JEWISH FAMILY SERVICE OF GREATER HARTFORD, INC.

Consolidating Schedule of Activities

For the year ended June 30, 2021

	Jewish Family Service of Greater Hartford, Inc.	JFS Care At Home, LLC	Eliminating Entries	Consolidated Total
Revenues and support				
Federal and State grants	\$ 140,373	\$ -	\$ -	\$ 140,373
Public support	537,801	-	-	537,801
Community foundations and other private grants	802,710	-	-	802,710
Holocaust Survivors Grants	634,168	-	-	634,168
Fee income, net	515,613	2,922,124	-	3,437,737
Other income	16,749	46	-	16,795
	<u>2,647,414</u>	<u>2,922,170</u>	<u>-</u>	<u>5,569,584</u>
Total revenue and support				
Expenses				
Salaries	1,649,382	2,465,730	-	4,115,112
Payroll taxes	120,100	221,049	-	341,149
Employee benefits	117,832	61,369	-	179,201
Assistance	669,662	7,648	-	677,310
Insurance	10,564	30,598	-	41,162
Public relations	37,268	21,308	-	58,576
Office expenses	52,494	48,622	-	101,116
Depreciation	18,355	1,595	-	19,950
Travel and conferences	2,442	3,192	-	5,634
Rent	91,520	10,111	-	101,631
Telephone	14,088	8,185	-	22,273
Dues and subscriptions	18,380	11,569	-	29,949
Professional fees	193,072	20,952	-	214,024
Bad debt	15,032	12,917	-	27,949
	<u>3,010,191</u>	<u>2,924,845</u>	<u>-</u>	<u>5,935,036</u>
Total expenses				
Changes in net assets from operations	<u>(362,777)</u>	<u>(2,675)</u>	<u>-</u>	<u>(365,452)</u>
Non-operating activities				
Forgiveness of debt -				
Paycheck Protection Program	354,207	246,240	-	600,447
Investment income, net	201,056	-	-	201,056
	<u>555,263</u>	<u>246,240</u>	<u>-</u>	<u>801,503</u>
Total non-operating activities				
Changes in net assets	192,486	243,565	-	436,051
Net assets, beginning	1,275,815	238,086	-	1,513,901
Net assets, ending	<u>\$ 1,468,301</u>	<u>\$ 481,651</u>	<u>\$ -</u>	<u>\$ 1,949,952</u>

JEWISH FAMILY SERVICE OF GREATER HARTFORD, INC.

Consolidating Schedule of Activities

For the year ended June 30, 2020

	Jewish Family Service of Greater Hartford, Inc.	JFS Care At Home, LLC	Eliminating Entries	Consolidated Total
Revenues and support				
Federal and State grants	\$ 124,027	\$ -	\$ -	\$ 124,027
Public support	443,599	-	-	443,599
Community foundations and other private grants	933,544	10,000	-	943,544
Holocaust Survivors Grants	673,891	-	-	673,891
Fee income, net	459,148	2,002,436	-	2,461,584
Other income	5,159	10,528	-	15,687
	<u>2,639,368</u>	<u>2,022,964</u>	<u>-</u>	<u>4,662,332</u>
Expenses				
Salaries	1,419,527	1,769,389	-	3,188,916
Payroll taxes	109,605	159,832	-	269,437
Employee benefits	68,428	51,403	-	119,831
Assistance	650,240	8,997	-	659,237
Insurance	11,202	27,552	-	38,754
Public relations	19,461	7,693	-	27,154
Office expenses	56,403	32,227	-	88,630
Depreciation	13,164	-	-	13,164
Travel and conferences	12,118	2,422	-	14,540
Rent	97,843	11,513	-	109,356
Telephone	13,023	9,692	-	22,715
Dues and subscriptions	24,416	9,628	-	34,044
Professional fees	167,547	45,398	-	212,945
	<u>2,662,977</u>	<u>2,135,746</u>	<u>-</u>	<u>4,798,723</u>
Changes in net assets from operations	<u>(23,609)</u>	<u>(112,782)</u>	<u>-</u>	<u>(136,391)</u>
Non-operating activities				
Investment income, net	353	-	-	353
Intercompany receipts	200,000	125,000	(325,000)	-
Intercompany distributions	(125,000)	(200,000)	325,000	-
	<u>75,353</u>	<u>(75,000)</u>	<u>-</u>	<u>353</u>
Changes in net assets	51,744	(187,782)	-	(136,038)
Net assets, beginning	1,224,071	425,868	-	1,649,939
Net assets, ending	<u>\$ 1,275,815</u>	<u>\$ 238,086</u>	<u>\$ -</u>	<u>\$ 1,513,901</u>

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