



**Ferd and Gladys Alpert Jewish
Family & Children’s Service of Palm
Beach County, Inc. and Affiliates**

Combined Financial Statements
and Supplemental Schedules
Years Ended June 30, 2021 and 2020

The report accompanying these financial statements was issued by

BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of
BDO International Limited, a UK company limited by guarantee.



**FERD AND GLADYS ALPERT JEWISH FAMILY & CHILDREN'S SERVICE
OF PALM BEACH COUNTY, INC. AND AFFILIATES**

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT	1 - 3
COMBINED FINANCIAL STATEMENTS	
Combined Statements of Financial Position	4
Combined Statements of Activities	5
Combined Statements of Functional Expenses	6– 7
Combined Statements of Cash Flows	8
Notes to Combined Financial Statements	9 - 30
SUPPLEMENTAL SCHEDULES	31
Combining Schedules of Financial Position	32 - 33
Combining Schedules of Activities	34 – 35



Independent Auditor's Report

To the Board of Directors
Ferd and Gladys Alpert Jewish Family & Children's Service
of Palm Beach County, Inc. and Affiliates

Opinion

We have audited the combined financial statements of Ferd and Gladys Alpert Jewish Family and Children's Service of Palm Beach County, Inc. and Affiliates (the Organization), which comprise the combined statement of financial position as of June 30, 2021, and the related combined statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the combined financial position of Organization as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Combined Financial Statements

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

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



Auditor's Responsibilities for the Audit of the Combined Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Other Matters

Other Information

The combined financial statements of the Organization as of and for the year ended June 30, 2020 were audited by Morrison, Brown, Argiz & Farra, LLC ("MBAF"), whose partners and professional staff joined BDO USA, LLP as of January 16, 2021, and has subsequently ceased operations. MBAF expressed an unmodified opinion on those statements in their report dated December 16, 2020.



The combined financial statements of Ferd and Gladys Alpert Jewish Family and Children's Service of Palm Beach County, Inc. and Affiliates for the year ended June 30, 2020, before restatement for the matter described in the Emphasis of Matter paragraph, were audited by other auditors, whose report dated December 16, 2020, on those statements was unmodified.

As part of our audit of the 2021 combined financial statements, we also audited the adjustments described in Note 2 that were applied to restate the 2020 combined financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2020 financial statements of the Organization other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2020 combined financial statements as a whole.

Emphasis of Matter

As discussed in Note 2 to the combined financial statements, the Organization's combined statement of financial position as of June 30, 2020, has been restated to correct an error relating to the presentation of Investments held in Medicaid Pooled Trust and Medicaid Pooled Trust Investments. These investments held on behalf of others were previously incorrectly excluded from the combined statement of financial position. The restatement increases the asset and liability by \$7,599,272 on July 1, 2019. Our opinion is not modified with respect to this matter.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements that collectively comprise the Organization's basic combined financial statements. The combining schedules of financial position and activities are presented for purposes of additional analysis and are not a required part of the basic combined financial statements.

The combining schedules of financial position and activities are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic combined financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic combined financial statements or to the basic combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedule of financial position and activities are fairly stated, in all material respects, in relation to the basic combined financial statements as a whole.

Boca Raton, Florida
June 21, 2022

BDO USA, LLP
Certified Public Accountants

**FERD AND GLADYS ALPERT JEWISH FAMILY & CHILDREN'S SERVICE
OF PALM BEACH COUNTY, INC. AND AFFILIATES**

COMBINED STATEMENTS OF FINANCIAL POSITION
JUNE 30,

ASSETS	2021	(As Restated) 2020
CURRENT ASSETS		
Cash (including \$327,200 of board designated cash at June 30, 2021 and 2020)	\$ 4,349,640	\$ 3,800,667
Restricted cash	347,800	347,800
Investments held in Medicaid Pooled Trust	6,268,331	7,062,734
Accounts receivable:		
Jewish Federation of Palm Beach County, Inc.	437,129	377,388
Client charges	449,831	265,159
Grants	341,158	22,745
United Way of Palm Beach County, Inc.	60,500	53,950
Promises to give, net	338,208	125,000
Bequests receivable	31,943	776,086
Prepaid expenses and other assets	212,650	114,871
TOTAL CURRENT ASSETS	12,837,190	12,946,400
PROMISES TO GIVE, NET OF DISCOUNT AND CURRENT PORTION	68,681	114,788
INVESTMENTS HELD AT JEWISH FEDERATION OF PALM BEACH COUNTY, INC.	163,647	129,403
PROPERTY AND EQUIPMENT, NET	3,197,320	3,166,298
TOTAL ASSETS	\$ 16,266,838	\$ 16,356,889
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 3,461,306	\$ 3,010,996
Medicaid Pooled Trust Investments held on behalf of others	6,268,331	7,062,734
Deferred revenue	222,239	333,192
Paycheck Protection Program refundable advances	-	1,238,959
Note payable, current portion	103,176	83,606
TOTAL CURRENT LIABILITIES	10,055,052	11,729,487
NOTE PAYABLE, LESS CURRENT PORTION (net of debt issuance costs of \$18,483 and \$24,693 as of June 30, 2021 and 2020, respectively)	2,645,792	2,514,744
TOTAL LIABILITIES	12,700,844	14,244,231
COMMITMENTS AND CONTINGENCIES (NOTES 1,2,3,4,7,8,11,12,14,15,17 & 18)		
NET ASSETS		
Without donor restrictions:		
Undesignated	1,989,064	602,821
Board-designated	675,000	675,000
Total net assets without donor restrictions	2,664,064	1,277,821
With donor restrictions	901,930	834,837
TOTAL NET ASSETS	3,565,994	2,112,658
TOTAL LIABILITIES AND NET ASSETS	\$ 16,266,838	\$ 16,356,889

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

**FERD AND GLADYS ALPERT JEWISH FAMILY & CHILDREN'S SERVICE
OF PALM BEACH COUNTY, INC. AND AFFILIATES**

COMBINED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30,

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUES:						
Contributions from Federation	\$ 195,000	\$ 461,696	\$ 656,696	\$ 195,000	\$ 411,696	\$ 606,696
Contributions	2,565,297	93,680	2,658,977	2,750,370	-	2,750,370
Government grant revenue	1,238,959	-	1,238,959	-	-	-
Fundraising events	373,842	-	373,842	451,894	-	451,894
Contracts and grants	813,238	60,500	873,738	496,668	53,950	550,618
Claims Conference grant revenue	6,666,894	-	6,666,894	5,474,939	-	5,474,939
Net patient service revenue	3,882,100	-	3,882,100	4,142,286	-	4,142,286
Rental income	16,408	-	16,408	39,729	-	39,729
Investment income, net	-	38,313	38,313	-	1,157	1,157
Other	126,369	-	126,369	153,995	-	153,995
Net assets released from restrictions	587,096	(587,096)	-	700,785	(700,785)	-
TOTAL PUBLIC SUPPORT AND REVENUES	16,465,203	67,093	16,532,296	14,405,666	(233,982)	14,171,684
EXPENSES:						
Program services:						
Community services	844,497	-	844,497	775,784	-	775,784
Long-term care	7,850,648	-	7,850,648	6,958,246	-	6,958,246
Behavioral health	1,888,478	-	1,888,478	1,977,533	-	1,977,533
Residential	2,463,493	-	2,463,493	2,666,087	-	2,666,087
TOTAL PROGRAM SERVICES	13,047,116	-	13,047,116	12,377,650	-	12,377,650
Support services:						
Fundraising and development	1,015,465	-	1,015,465	987,686	-	987,686
Management and general	1,016,379	-	1,016,379	925,173	-	925,173
TOTAL SUPPORT SERVICES	2,031,844	-	2,031,844	1,912,859	-	1,912,859
TOTAL EXPENSES	15,078,960	-	15,078,960	14,290,509	-	14,290,509
CHANGE IN NET ASSETS	1,386,243	67,093	1,453,336	115,157	(233,982)	(118,825)
NET ASSETS AT BEGINNING OF YEAR	1,277,821	834,837	2,112,658	1,162,664	1,068,819	2,231,483
NET ASSETS AT END OF YEAR	\$ 2,664,064	\$ 901,930	\$ 3,565,994	\$ 1,277,821	\$ 834,837	\$ 2,112,658

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

**FERD AND GLADYS ALPERT JEWISH FAMILY & CHILDREN'S SERVICE
OF PALM BEACH COUNTY, INC. AND AFFILIATES**

COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	Program Services				Support Services			
	Community Services	Long-Term Care	Behavioral Health	Residential	Total Program Services	Fundraising and Development	Management and General	Total
Salaries and benefits								
Salaries	\$ 382,681	\$ 1,415,947	\$ 1,412,913	\$ 1,301,136	\$ 4,512,677	\$ 708,440	\$ 555,153	\$ 5,776,270
Payroll taxes and benefits	63,926	245,039	219,464	302,770	831,199	111,375	133,074	1,075,648
Total salaries and benefits	<u>446,607</u>	<u>1,660,986</u>	<u>1,632,377</u>	<u>1,603,906</u>	<u>5,343,876</u>	<u>819,815</u>	<u>688,227</u>	<u>6,851,918</u>
Operating expenses								
Professional fees	28,485	20,107	30,161	30,161	108,914	23,458	23,188	155,560
Building and facilities	12,490	38,214	32,007	93,774	176,485	20,399	74,361	271,245
Depreciation and amortization	28,682	64,535	38,243	62,145	193,605	21,512	23,902	239,019
Insurance	3,135	7,407	5,351	74,786	90,679	2,498	68,801	161,978
Interest and bank fees	17,865	43,850	27,610	-	89,325	14,617	58,467	162,409
Program related expenses	67,187	56,143	54,663	194,373	372,366	93,174	-	465,540
Rent	7,074	-	-	399,970	407,044	-	27,498	434,542
Special assistance to individuals	191,215	5,879,899	260	-	6,071,374	-	-	6,071,374
Supplies	39,334	70,585	63,626	1,249	174,794	17,402	25,635	217,831
Other operating expenses	2,423	8,922	4,180	3,129	18,654	2,590	26,300	47,544
Total operating expenses	<u>397,890</u>	<u>6,189,662</u>	<u>256,101</u>	<u>859,587</u>	<u>7,703,240</u>	<u>195,650</u>	<u>328,152</u>	<u>8,227,042</u>
Total Expenses	<u>\$ 844,497</u>	<u>\$ 7,850,648</u>	<u>\$ 1,888,478</u>	<u>\$ 2,463,493</u>	<u>\$ 13,047,116</u>	<u>\$ 1,015,465</u>	<u>\$ 1,016,379</u>	<u>\$ 15,078,960</u>

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

**FERD AND GLADYS ALPERT JEWISH FAMILY & CHILDREN'S SERVICE
OF PALM BEACH COUNTY, INC. AND AFFILIATES**

COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

	Program Services				Support Services			
	Community Services	Long-Term Care	Behavioral Health	Residential	Total Program Services	Fundraising and Development	Management and General	Total
Salaries and benefits								
Salaries	\$ 295,359	\$ 1,492,844	\$ 1,399,249	\$ 1,374,587	\$ 4,562,039	\$ 453,698	\$ 504,849	\$ 5,520,586
Payroll taxes and benefits	63,357	249,418	226,324	355,980	895,079	84,497	95,169	1,074,745
Total salaries and benefits	<u>358,716</u>	<u>1,742,262</u>	<u>1,625,573</u>	<u>1,730,567</u>	<u>5,457,118</u>	<u>538,195</u>	<u>600,018</u>	<u>6,595,331</u>
Operating expenses								
Professional fees	39,515	29,048	43,001	40,062	151,626	33,356	36,966	221,948
Building and facilities	19,449	48,634	43,602	105,932	217,617	15,351	89,157	322,125
Depreciation and amortization	28,798	67,809	39,767	63,562	199,936	23,414	24,576	247,926
Insurance	5,625	14,963	38,095	70,555	129,238	5,106	36,127	170,471
Interest and bank fees	21,290	50,771	30,031	-	102,092	17,513	67,110	186,715
Program related expenses	41,426	125,426	28,092	218,101	413,045	334,010	-	747,055
Rent	5,542	-	62,545	409,578	477,665	-	7,940	485,605
Special assistance to individuals	205,232	4,823,357	2,838	-	5,031,427	-	-	5,031,427
Supplies	49,879	68,959	48,278	2,097	169,213	21,948	60,621	251,782
Other operating expenses	312	641	563	25,633	27,149	317	2,658	30,124
Total operating expenses	<u>417,068</u>	<u>5,229,608</u>	<u>336,812</u>	<u>935,520</u>	<u>6,919,008</u>	<u>451,015</u>	<u>325,155</u>	<u>7,695,178</u>
Total Expenses	<u>\$ 775,784</u>	<u>\$ 6,971,870</u>	<u>\$ 1,962,385</u>	<u>\$ 2,666,087</u>	<u>\$ 12,376,126</u>	<u>\$ 989,210</u>	<u>\$ 925,173</u>	<u>\$ 14,290,509</u>

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

**FERD AND GLADYS ALPERT JEWISH FAMILY & CHILDREN'S SERVICE
OF PALM BEACH COUNTY, INC. AND AFFILIATES**

COMBINED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30,

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 1,453,336	\$ (118,825)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization of property and equipment	239,019	247,926
Loss on disposal of property and equipment	638	-
Amortization of deferred loan costs	6,210	5,955
Net realized and unrealized (gains) losses on investments	(35,900)	1,085
Accretion of discount on promises to give	(1,299)	(22,847)
Change in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	8,965	1,129,967
Prepaid expenses and other assets	(97,779)	33,848
Increase (decrease) in:		
Accounts payable and accrued expenses	450,310	101,447
Deferred revenue	(110,953)	114,186
Paycheck Protection Program refundable advances	(1,238,959)	1,238,959
TOTAL ADJUSTMENTS	(779,748)	2,850,526
NET CASH PROVIDED BY OPERATING ACTIVITIES	673,588	2,731,701
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(270,679)	(46,111)
Net proceeds from sale of investments held at the Federation	1,656	1,770
NET CASH USED IN INVESTING ACTIVITIES	(269,023)	(44,341)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments on line of credit	-	(2,215,000)
Proceeds from line of credit	-	2,215,000
Proceeds from notes payable	240,000	-
Repayments on notes payable	(95,592)	(89,323)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	144,408	(89,323)
INCREASE IN CASH AND CASH EQUIVALENTS	548,973	2,598,037
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	4,148,467	1,550,430
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 4,697,440	\$ 4,148,467
RECONCILIATION OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH:		
Cash and cash equivalents	\$ 4,349,640	\$ 3,800,667
Restricted cash - for collateral on mortgage	347,800	347,800
CASH, CASH EQUIVALENTS AND RESTRICTED CASH	\$ 4,697,440	\$ 4,148,467
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for interest	\$ 120,517	\$ 137,558

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

**FERD AND GLADYS ALPERT JEWISH FAMILY & CHILDREN'S SERVICE
OF PALM BEACH COUNTY, INC. AND AFFILIATES**

NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Operations

The combined financial statements include the combined accounts of Ferd and Gladys Alpert Jewish Family & Children's Service of Palm Beach County, Inc. ("JFCS") and its wholly owned subsidiary 5841 Corporate Way, LLC ("5841"), along with an affiliate, Melvin J. & Claire Levine Jewish Residential & Family Services of Palm Beach County, Inc. ("JRFS") (collectively, the "Organization"). The combined financial statements are presented on a combined basis due to the existence of common members on the Board of Directors between JFCS and JRFS. Management believes combined financial statements are more meaningful. All intercompany balances and transactions have been eliminated.

JFCS is a not-for-profit organization, incorporated in the State of Florida in 1974. JFCS is a private, social service agency established to provide professional social work in the Jewish community and to contribute to the wellbeing of the general population. Its basic purpose is to administer services to strengthen family life, to aid the welfare of children and to promote the healthy social functioning of individuals.

5841 is a single-member LLC with JFCS as the sole member. 5841 is the owner of a commercial building and was established in April 2008 for the purpose of leasing office space for the corporate offices of JFCS, JRFS and other third parties.

JRFS is a not-for-profit organization, incorporated in the State of Florida in 1997. It was established to promote the establishment and operation of residential facilities, and to provide treatment and other services for the care of physically and mentally disabled adults.

JFCS derives its principal revenue and support from contracts, grants, contributions, and allocations from the Jewish Federation of Palm Beach County, Inc. (the "Federation"), the Conference on Jewish Material Claims Against Germany, Inc. ("Claims Conference"), the United Way and program services. JRFS derives its revenue from client fees and is supported by contributions. 5841 derives its revenue from rental fees.

The Organization relies on the continued support of the Federation in order to meet its financial commitments. The reduction of support from the Federation in future years could significantly impact the Organization's ability to provide program services.

Description of Programs

Community Services Division:

Community Directions includes information and referral. The program answers more than 4,000 calls a year from community members seeking assistance with a range of personal and family needs. The professional staff assesses needs and makes the appropriate referrals within and outside of JFCS. This program also provides very minimal emergency financial assistance to members of the Jewish community who meet the JFCS criteria for financial aid.

Food Pantry is a small food pantry for Jewish persons in need. The Organization also provides food vouchers when available and appropriate as well as referrals to other community food pantries.

Emergency Financial Assistance - If funds are available, the agency may provide limited financial assistance to Jewish families experiencing a temporary financial crisis. The applicant must demonstrate that the assistance will help them resume or maintain a healthy family life. Financial assessment and verification of need along with a commitment to make necessary lifestyle changes are required.

Segall College Scholarship Fund - A maximum of \$5,000 may be provided to a Jewish college student living from Boynton Beach north to Indian River County and west to Wellington and are attending a Florida college. Students are evaluated on financial need, academic achievement, community service, recreational activities, employment history, Jewish life involvement and personal recommendations.

**FERD AND GLADYS ALPERT JEWISH FAMILY & CHILDREN'S SERVICE
OF PALM BEACH COUNTY, INC. AND AFFILIATES**

NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Description of Programs (Continued)

Community Services Division (Continued):

JELF (Jewish Educational Loan Fund) - Jewish students living from Boynton Beach north to Indian River County can turn to Alpert JFS for help in accessing interest-free, need-based loans to supplement their financial resources, and give them the opportunity to attend full-time accredited post-secondary educational programs.

Miscellaneous Contracts include the Medical Alert systems program.

Mental Health First Aid is a public education program that introduces participants to risk factors and warning signs of mental illnesses, builds understanding of their impact, and overviews common supports. This 8-hour course uses role-playing and simulations to demonstrate how to offer initial help in a mental health crisis and connect persons to the appropriate professional, peer, social, and self-help care. The program also teaches the common risk factors and warning signs of specific types of illnesses, like anxiety, depression, substance use, bipolar disorder, and psychosis.

Long-Term Care Division:

Case Management is a core program of comprehensive clinical intervention primarily to seniors, but also to individuals and families coping with mental illness and other disabilities.

The ElderCare360 Program, a subgroup of the Case Management program, is offered as a "general contractor's" model to adult children who usually live out-of-state. The role of the care coordinator is to maintain and support both the elderly clients and the family members.

Respite, also known as Enhanced Companion, hires, screens, trains and supervises seniors and AmeriCorps members to provide frail elderly with in-home assistance, such as transportation, light housekeeping, companionship, grocery shopping and meal preparation.

AmeriCorps ("Legacy Corp") is a federal grant through Arizona State University. Members participate in the Enhanced Companion program by providing in-home assistance to seniors in the Respite program. Each member must be 55-plus years old and "volunteer" 9 hours per week, for a total of 450 hours per year. They receive a monthly stipend through the grant.

Holocaust is funded by the Claims Conference and offers two primary services: case management and subsidized in-home care to survivors of the Holocaust. It also provides some limited emergency funds and assistance with filing claims.

Guardianship provides legal guardianship on a voluntary or court mandated basis for persons with diminished capacity. This program can also provide Medicaid planning, including the use of a Medicaid eligible pooled trust for Medicaid eligibility.

Behavioral Health Division:

Counseling provides professional psychotherapeutic services to individuals, couples, families and groups to cope with the stresses and challenges in their lives within a framework of Jewish values.

Psychiatric provides psychiatric evaluation and treatment for children and adults. One full-time board-certified psychiatrist, as well as a team of psychologists, social workers, mental health counselors and case managers, are available to provide needed treatment. Services include evaluation and assessment, medication monitoring, psychotherapeutic and support services.

**FERD AND GLADYS ALPERT JEWISH FAMILY & CHILDREN'S SERVICE
OF PALM BEACH COUNTY, INC. AND AFFILIATES**

NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Description of Programs (Continued)

Behavioral Health Division (Continued):

Domestic Abuse Program was established to provide services for Jewish families experiencing the effects of physical, emotional, financial and sexual abuse. Relationships & Decisions provides training of teens helping them to train other teens in safe dating. The program focuses on preventing dating abuse. Hebrew for "voices" ("KOLOT") is a committee of the agency and a coalition of Jewish organizations, synagogues, and individuals working as the outreach branch of the program. The efforts of KOLOT result in Jewish individuals and families contacting the agency to ask for help.

Mentoring 4 Kids is an individual mentoring program, partially funded by the United Way of Palm Beach County, designed to help children living in families where there has been a loss of a consistent caretaker.

Bereavement provides outreach services to individuals who are experiencing acute grief. Assessment for services is done in community settings such as synagogues and in-home. Support groups are administered at the offices on both campuses of the Jewish Community Center ("JCC") and various synagogues.

Residential Division:

Group Homes offers 2 group homes providing 24-hour care for 7 residents per home who have developmental disabilities, chronic mental illness or a significant impairment, and need constant supervision.

Apartment provides independent supportive living, offers residents the opportunity to live alone with supervision, while participating in social, recreational and life-skills instruction on a daily basis. Each resident lives in a spacious apartment within a larger apartment community of residents that are not participants of the program. Onsite supervision is provided 24 hours a day.

Life Planning is endowed by Melvin J.²¹ and Claire Levine and is a program intended to reach out to and educate families with adult disabled children to help them begin or enhance their fiscal and social planning for these children's needs when the parent passes. Seminars are conducted on a range of subjects, including trusts, guardianship, socialization, case management, and housing options. The staff also evaluates requests for financial assistance from community members in financial need and authorizes assistance when appropriate. Individual consultation is available to help families with their planning needs, addressing the emotional challenges associated with this process.

Transportation provides transportation for the residents of the group home and apartment program to appointments, activities and jobs.

Basis of Presentation and Net Assets

The Organization prepares its combined financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Net assets and revenues, expenses, gains and losses are classified into two classes of net assets based on the existence or absence of donor-imposed purpose or time restrictions. The two classes of net asset categories are as follows:

Net assets without donor restrictions consist of contributions and other inflows of assets whose use is not subject to donor-imposed restrictions. Board-designated net assets are part of net assets without donor restrictions of the Organization since use by the Organization is not limited by donor-imposed stipulations. The Organization's board has internally earmarked such funds for future capital improvements.

**FERD AND GLADYS ALPERT JEWISH FAMILY & CHILDREN'S SERVICE
OF PALM BEACH COUNTY, INC. AND AFFILIATES**

NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation and Net Assets (Continued)

Net assets with donor restrictions consist of contributions and other inflows of assets whose use is subject to donor-imposed restrictions that are more specific than broad limits reflecting the nature of the Organization, the environment in which the Organization operates, and the purposes specified in its articles of incorporation or bylaws or comparable documents. Donor-imposed restrictions may be temporary in nature, such as stipulating that resources may be used only after a specified date or limited to specific programs or services. Certain donor-imposed restrictions are perpetual in nature. If a restriction is fulfilled in the same fiscal year in which the contribution is received, the contribution is reported as without donor restrictions on the accompanying Combined Statements of Activities.

Use of Estimates

The preparation of combined 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 combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash

The Organization considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents. There were no cash equivalents at June 30, 2021 and 2020.

Restricted Cash

Restricted cash represents collateralized funds for the promissory mortgage note payable. Amounts restricted for this purpose at June 30, 2021 and 2020 were \$347,800.

Investments

The Organization has investments that are held and administered by the Federation. The Federation has a pooled investment strategy and a fund for income. The pooled investment strategy includes investments in a variety of mutual funds, hedge funds, government securities, equities, Israel Bonds and other types of investments. The income fund invests in bond funds and real asset funds. The monies held at the Federation are reflected as donor restricted endowments (NOTE 9 and NOTE 14).

Investments held by the Federation are reported at their net asset value ("NAV"). Investment income or loss (including gains and losses on investments, interests and dividends) is included in the Combined Statements of Activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor.

Pooled Medicaid Trust

The Organization established a Pooled Medicaid Trust on January 3, 2003 called The Declaration of Pooled Medicaid Trust of Ferd & Gladys Alpert Jewish Family and Children's Services of Palm Beach County, Inc. ("Trust") (NOTE 13). The Trust holds investments for the benefit of others and these transactions are reflected as agency transactions on the Statement of Financial Position. See NOTE 2 for restatement of June 30, 2020 Statement of Financial Position.

Fair Value of Financial Instruments

Fair values of financial instruments are estimated using relevant market information and other assumptions. Fair value estimates involve uncertainties and matters of significant judgment regarding interest rates, credit risk, prepayments, and other factors, especially in the absence of broad markets for particular instruments. Changes in assumptions or in market conditions could significantly affect the estimates. The carrying amount of all financial assets and liabilities approximates fair value because of their short-term nature or market rates.

**FERD AND GLADYS ALPERT JEWISH FAMILY & CHILDREN'S SERVICE
OF PALM BEACH COUNTY, INC. AND AFFILIATES**

NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Client Charges

Accounts receivable are reported at net realizable value and consist of amounts due from clients for counseling and other program services, insurance receivables for those services as well as monies due from various funding sources. The Organization's allowance for bad debts on client charges was approximately \$38,000 and \$8,000 at June 30, 2021 and 2020, respectively. The allowance for bad debts is based, among other things, on the Organization's past collection experience and the impact of changes in the current economic conditions. Account balances are charged off against the allowance for doubtful accounts after all means of collection have been exhausted. Bad debt expense for the year ended June 30, 2021, was approximately \$30,000. Bad debt recovery income for the year ended June 30, 2020, was approximately \$74,000.

Grants and United Way of Palm Beach County, Inc.

The Organization receives a significant portion of its revenue from grants and contracts. The amounts received under these grants and contracts are designated for specific purposes by the granting agencies. Grant and contract revenue is recognized when the allowable costs, as defined by the individual grant or contracts, are incurred and/or the unit of service has been performed. The Organization records advances at the start of each grant as a liability. Revenues and expenses, which are treated as reciprocal transactions, are recognized as the performance obligations are met. Grants and other receivables at year end represent expenditures and/or units of service performed, which have not been reimbursed by the granting agency.

For grants receivable and United Way of Palm Beach County, Inc. receivable, the Organization estimates that the full amount is collectible; therefore, no provision for estimated uncollectible amounts is required for these receivables.

Allocations Receivable and Promises to Give, Net

Allocations receivable and pledges receivable are reported at net realizable value which approximates fair value and consists of amounts due from supporting agencies, pledges and bequests. The allowance for doubtful accounts is the Organization's best estimate of the amount of probable losses. Past due balances are reviewed individually for collectability. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. Pledges determined to be uncollectible during the year in which such pledges are received are shown as a reduction of contributions. Pledges determined to be uncollectible subsequent to the year in which such pledges are received are charged to the allowance for uncollectible pledges.

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in more than one year are discounted using a market rate of return and are recorded at net present value. Unconditional promises to give are recognized as revenues in the period received. Conditional promises to give are recognized as revenue in the period the conditions on which they depend are substantially met.

For allocations receivable, promises to give and bequests receivable, the Organization estimates that the full amount is collectible; therefore, no provision for estimated uncollectible amounts is required for these receivables.

Revenue Recognition – Contributions

Transfers of cash or other assets or settlements of liabilities that are both voluntary and nonreciprocal are recognized as contributions.

Allocations

The Organization receives allocations from the Federation, under a beneficiary agency program, and from other unaffiliated not-for-profit organizations. Allocation revenue is recognized as revenue with donor restrictions when written documentation of the unconditional promise is made and received.

**FERD AND GLADYS ALPERT JEWISH FAMILY & CHILDREN'S SERVICE
OF PALM BEACH COUNTY, INC. AND AFFILIATES**

NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition – Contributions (Continued)

Contribution Revenue and Unconditional Promises to Give

Contributions may either be conditional or unconditional. A contribution is considered conditional when the donor imposes both a barrier and a right of return. Conditional contributions are recognized as revenue on the date all donor-imposed barriers are overcome or explicitly waived by the donor. Barriers may include specific and measurable outcomes, limitations on the performance of an activity and other stipulations related to the contribution. A donor has a right of return of any assets transferred or a right of release of its obligation to transfer any assets in the event the Organization fails to overcome one or more barriers. Assets received before the barrier is overcome are accounted for as refundable advances. As of June 30, 2021 and 2020, the Organization does not have any conditional contributions that have not been recognized as revenue.

Unconditional contributions may or may not be subject to donor-imposed restrictions. Donor-imposed restrictions limit the use of the donated assets but are less specific than donor-imposed conditions. Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. Contributions are considered to be available for general operations of the Organization unless specifically restricted by the donor. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations about the use of the donated assets, or if they are designated as support for future periods.

When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities as "net assets released from restrictions." Donor-restricted contributions whose restrictions are met in the same reporting period in which received are reported as net assets without donor restrictions.

Contracts and Grants

Grants are evaluated as to whether they qualify as exchange transactions or contributions as defined by U.S. GAAP. Grants that primarily provide commensurate value to the general public are reported as contributions and recognized as the eligible grant activities are conducted.

In-Kind Contributions

The Organization records the value of donated goods and facilities when there is an objective basis available to measure the value. Donated items are reflected as support in the accompanying combined financial statements at their fair market value at date of receipt. There were no in-kind contributions during each of the years ended June 30, 2021 and 2020.

Contributed Services

The Organization receives services from a large number of volunteers who give significant amounts of their time to the Organization's programs, fundraising campaigns and management that do not meet the criteria of specialized skills for recognition in the combined financial statements.

Revenue Recognition – Exchange Transactions

Reciprocal transfers in which each party receives and sacrifices goods or services with approximate commensurate value are recognized as exchange transactions. The Organization adopted Accounting Standards Codification ("ASC") Topic 606, Revenue from Contracts with Customers ("Topic 606") on July 1, 2019 using the modified retrospective method applied to all contracts not completed as of the date of the adoption. The Organization applies Topic 606 to exchange transactions in which it receives consideration from individuals for patient services and other program services offered. Under U.S. GAAP, these arrangements are exchange transactions between the Organization and the individuals participating in the Organization's programs.

**FERD AND GLADYS ALPERT JEWISH FAMILY & CHILDREN'S SERVICE
OF PALM BEACH COUNTY, INC. AND AFFILIATES**

NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Patient Service Revenue

The Organization has established a sliding fee schedule wherein the clients are expected to pay amounts based upon their individual financial ability. Client payments received in advance of the patient services are included in deferred revenue until the patient services are performed. Patient service revenues are recognized at the time services are provided by the Organization. Revenue is presented net of contractual adjustments.

Contractual adjustments result from the difference between the Organization's rates for services performed and reimbursements by government-sponsored healthcare programs and insurance companies for such services. Patient services rendered to Medicare program beneficiaries are reimbursed at a predictable rate with final settlement determined after an audit by the Medicare fiscal intermediary.

Patient service revenue is presented as follows in the statement of activities:

	<u>2021</u>	<u>2020</u>
Patient service revenue, net	\$ 3,882,100	\$ 4,142,286
Revenue subject to ASC 606	<u>\$ 3,882,100</u>	<u>\$ 4,142,286</u>

Receivables and contract balances from contracts with customers as of June 30, 2021 are as follows:

	<u>Client Charges</u>	<u>Contract Assets</u>	<u>Contract Liabilities</u>
Beginning of year	\$ 265,159	\$ -	\$ -
End of year	<u>\$ 449,831</u>	<u>\$ -</u>	<u>\$ -</u>

Receivables and contract balances from contracts with customers as of June 30, 2020 are as follows:

	<u>Client Charges</u>	<u>Contract Assets</u>	<u>Contract Liabilities</u>
Beginning of year	\$ 386,058	\$ -	\$ -
End of year	<u>\$ 265,159</u>	<u>\$ -</u>	<u>\$ -</u>

As substantially all of its performance obligations relate to established rate agreements with a duration of less than one year, the Organization has elected to apply the optional exemption provided in ASU 2014-09 and, therefore, is not required to disclose the aggregate amount of the transactions price allocated to performance obligations that are unsatisfied or partially satisfied at the end of the reporting period.

Prepaid Expenses and Other Assets

Prepaid expenses and other assets primarily represent amounts paid in advance for rent and insurance that benefit future periods.

**FERD AND GLADYS ALPERT JEWISH FAMILY & CHILDREN'S SERVICE
OF PALM BEACH COUNTY, INC. AND AFFILIATES**

NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Loan Costs, Net

Deferred loan costs are recorded at cost and are amortized using the effective interest method over the term of the related note payable. The balance of deferred loan costs, net as of June 30, 2021 and 2020 was approximately \$18,000 and \$25,000, respectively. Amortization expense, which is included in the caption "interest and bank fees" on the accompanying Combined Statements of Functional Expenses, totaled approximately \$6,000 for the years ended June 30, 2021 and 2020.

As permitted by U.S. GAAP, the Organization elected an accounting alternative which allows deferred loan costs to be netted against the related liability. These deferred loan costs are netted against the long-term portion of the note payable on the accompanying Combined Statements of Financial Position.

Donated Works of Art

Contributions of works of art and similar assets have been recognized at their estimated fair value at the date of receipt based upon independent appraisals. Contributions of works of art are reflected in the Combined Statements of Financial Position within the caption "Property and equipment, net" and the Combined Statements of Activities within the caption "In-kind Contributions" when received. As of June 30, 2021 and 2020 the total donated works of art reflected in the Combined Statements of Financial Position were approximately \$158,000.

Property and Equipment, Net

Property and equipment is recorded at cost at the date of purchase, or, if donated, at the estimated fair value at the date of donation. The Organization's capitalization policy requires individual assets to be capitalized if the original cost or fair value at date of donation exceeds \$1,000. Depreciation and amortization is charged to operations over the estimated service lives of property and equipment on a straight-line basis. Additionally, consistent with the accepted practice for land, depreciation is not recognized on donated works of art. Repairs and maintenance are charged to expense as incurred. When assets are sold or retired, the cost and related accumulated depreciation or amortization are removed from the accounts and gains or losses, if any, are recognized currently.

The estimated useful lives used in determining depreciation and amortization are:

Buildings and improvements	10 - 39 years
Equipment	5 - 10 years
Vehicles	5 years

The carrying value of long-lived assets is reviewed if the facts and circumstances, such as significant declines in revenues, earnings or cash flows indicate that they may be impaired. If any impairment in the value of the long-lived assets is indicated, the carrying value of the long-lived assets is adjusted to reflect such impairment based on the fair value of the impaired assets or an estimate of fair value based on discounted cash flows.

Long-Lived Assets

The Organization reviews its long-lived assets for possible impairment at least annually, and more frequently if circumstances warrant. Impairment is determined to exist when estimated amounts recoverable through future cash flows from operations on an undiscounted basis are less than the long-lived asset carrying values. If a long-lived asset is determined to be impaired, it is written down to its estimated fair value to the extent that the carrying amount exceeds the fair value of the long-lived asset. No write-downs for impairment of long-lived assets were recorded during the years ended June 30, 2021 and 2020.

Rental Income

Revenue from leasing activities, which generally consist of non-cancelable operating leases with terms of one year or more, is recognized on a straight-line basis over the lease term giving effect to rent abatements and known rental increases.

**FERD AND GLADYS ALPERT JEWISH FAMILY & CHILDREN'S SERVICE
OF PALM BEACH COUNTY, INC. AND AFFILIATES**

NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis and by natural classification in the Combined Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and support services benefited. Expenses that can be directly identified with the program or supporting service are reported as expenses of those functional areas. Personnel expenses are allocated on the basis of estimated time and effort. Other expenses are allocated among program and supporting services based on the same basis of estimated time and effort used for personnel expenses.

Income Taxes

JFCS and JRFS are exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code (the "Code") of 1986, as amended. Accordingly, no provision for income taxes has been recorded. In addition, the Organization has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Code. There was no unrelated business income for each of the years ended June 30, 2021 and 2020.

The Organization recognizes, and measures tax positions based on their technical merit and assesses the likelihood that the positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. Interest and penalties on tax liabilities, if any, would be recorded in interest expense and other non-interest expense, respectively.

The Organization does not believe it has taken any material uncertain tax positions and, accordingly, it has not recorded any liability for unrecognized tax benefits. The Organization is subject to routine audits by a taxing authority. As of June 30, 2021 and 2020, the Organization was not subject to any examination by a taxing authority.

Recent Accounting Pronouncements – Not Implemented

Lease Accounting

In February 2016, the Financial Accounting Standards Board ("FASB") issued an accounting standard update which amends existing lease guidance. The update requires lessees to recognize a right-of-use asset and related lease liability for many operating leases now currently off-balance sheet under current U.S. GAAP. Also, the FASB has issued amendments to the update with practical expedients related to land easements and lessor accounting. The Organization is currently evaluating the effect the update will have on its combined financial statements.

The update originally required transition to the new lease guidance using a modified retrospective approach which would reflect the application of the update as of the beginning of the earliest comparative period presented. A subsequent amendment to the update provides an optional transition method that allows entities to initially apply the new lease guidance with a cumulative-effect adjustment to the opening balance of equity in the period of adoption. If this optional transition method is elected, after the adoption of the new lease guidance, the Organization's presentation of comparative periods in the combined financial statements will continue to be in accordance with current lease accounting. The Organization is evaluating the method of adoption it will elect and the effect the update will have on its combined financial statements. The update is effective for fiscal years beginning after December 15, 2021, and for interim periods within fiscal years beginning after December 15, 2022, with early application permitted.

Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets

In September 2020, the FASB issued an accounting standard update to increase the transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure. The update is effective for financial statements issued for fiscal years beginning after June 15, 2021, and interim periods within fiscal years beginning after June 15, 2022, with early application permitted. The Organization is currently evaluating the effect the update will have on its combined financial statements.

**FERD AND GLADYS ALPERT JEWISH FAMILY & CHILDREN'S SERVICE
OF PALM BEACH COUNTY, INC. AND AFFILIATES**

NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements – Not Implemented (Continued)

Reference Rate Reform

In March 2020, the FASB issued an accounting standard update to provide guidance related to recognizing the effects of reference rate reform on financial reporting. The update applies to all entities that have contracts, hedging relationships, or other transactions that reference LIBOR or another reference rate expected to be discontinued. The update is effective for all entities as of March 12, 2020 through December 31, 2022. The Organization is currently evaluating the potential accounting, transition, and disclosure effects the update will have on its combined financial statements.

Credit Losses

In June 2016, the FASB issued ASU 2016-13, Financial Instruments – Credit Losses (Topic 326). The main objective of this update is to provide financial statement users with more useful information in decision-making related to expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity. The amendment replaces the incurred loss impairment methodology in current U.S. GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. ASU 2016-03 was subsequently updated by ASU 2019-10, which finalized various effective dates on the implementation of the standard. The guidance is effective for fiscal years beginning after December 15, 2022, including interim periods within those years. The Organization is currently evaluating the effect the update will have on its combined financial statements.

Reclassification

Certain items in the 2020 combined financial statements were reclassified to conform with the 2021 presentation.

2. CORRECTION OF ERROR - RESTATEMENT

During the audit for the combined financial statements for the year ended June 30, 2021, the Organization discovered that the Trust (NOTES 1 and 13) were incorrectly excluded from the combined statement of financial position for the year ended June 30, 2020 and previous years. The Organization concluded that the Trust should be reflected as an agency transaction since the Trust's assets are under the control of the Organization. The Organization has restated the June 30, 2020 Statement of Financial Position to include the assets and corresponding liabilities of the Trust.

There was no effect to the Organization's change in net assets, statement of cash flows or statement of functional expenses on the combined statement of activities for the year ended June 30, 2020.

**FERD AND GLADYS ALPERT JEWISH FAMILY & CHILDREN'S SERVICE
OF PALM BEACH COUNTY, INC. AND AFFILIATES**

NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

2. CORRECTION OF ERROR – RESTATEMENT (CONTINUED)

The following tables disclose the effect of the correction of the error on the Organization's combined statement of financial position as of June 30, 2020:

Year ended June 30, 2020 - Beginning Balances

	Beginning Balance as Previously Reported July 1, 2019	Adjustment	Beginning Balance as Previously Reported July 1, 2019
Investment Held in the Medicaid Pooled Trust	\$ -	\$ 7,599,272	\$ 7,599,272
Total Assets	\$ -	\$ 7,599,272	\$ 7,599,272
Medicaid Pooled Trust Investments Held on behalf of others	\$ -	\$ 7,599,272	\$ 7,599,272
Total Liabilities	\$ -	\$ 7,599,272	\$ 7,599,272

Year ended June 30, 2020 - Ending Balances

	Ending Balance as Previously Reported June 30, 2020	Adjustment	Ending Balance as Previously Reported June 30, 2020
Investment Held in the Medicaid Pooled Trust	\$ -	\$ 7,062,734	\$ 7,062,734
Total Assets	\$ -	\$ 7,062,734	\$ 7,062,734
Medicaid Pooled Trust Investments Held on behalf of others	\$ -	\$ 7,062,734	\$ 7,062,734
Total Liabilities	\$ -	\$ 7,062,734	\$ 7,062,734

3. LIQUIDITY MANAGEMENT

The Organization maintains an informal policy of structuring its financial assets to be available as general expenditures, liabilities and other obligations come due. The Organization holds cash in various interest-bearing bank accounts with well-known financial institutions. Furthermore, the executive committee as well as the board reviews the Combined Statements of Financial Position and Combined Statements of Activities periodically. In addition, the Organization can also draw upon its board-designated funds totaling \$327,200 at the board's discretion and approval.

**FERD AND GLADYS ALPERT JEWISH FAMILY & CHILDREN'S SERVICE
OF PALM BEACH COUNTY, INC. AND AFFILIATES**

NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

3. LIQUIDITY MANAGEMENT (CONTINUED)

The Organization's financial assets available within one year of the Combined Statements of Financial Position date for general expenditures are as follows as of June 30:

	2021	2020
Cash	\$ 4,697,440	\$ 4,148,467
Accounts receivable:		
Jewish Federation of Palm Beach County, Inc.	437,129	377,388
Client charges, net	449,831	265,159
Grants	341,158	22,745
United Way of Palm Beach County, Inc.	60,500	53,950
Promises to give, net	338,208	125,000
Bequests receivable	31,943	776,086
Total current financial assets	6,356,209	5,768,795
Less amounts unavailable for general expenditures within one year due to:		
Donor restricted assets	901,930	834,837
Cash restricted as collateral on mortgage	347,800	347,800
Board designated funds unavailable without board approval	327,200	327,200
Total financial assets available for general expenditure within one year	\$ 4,779,279	\$ 4,258,958

4. PROMISES TO GIVE, NET

Promises to give, net resulting from fundraising campaigns is summarized as follows at June 30:

	2021	2020
Gross promises to give	\$ 415,802	\$ 250,000
Less: Discount on long-term promises to give	(8,913)	(10,212)
Promises to give, net	\$ 406,889	\$ 239,788

Promises to give with payment terms in excess of one year have been discounted using a discount rate of 6.00%, which was established at inception of the long-term promise to give in April 2016. Promises to give are unsecured and are primarily from related parties and are restricted as to time and purpose.

Gross promises to give as of June 30, 2021 are due as follows:

Years ending June 30:	
2022	\$ 340,802
2023	25,000
2024	25,000
2025	25,000
	\$ 415,802

**FERD AND GLADYS ALPERT JEWISH FAMILY & CHILDREN'S SERVICE
OF PALM BEACH COUNTY, INC. AND AFFILIATES**

NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

5. PROPERTY AND EQUIPMENT, NET

Property and equipment, net consists of the following at June 30:

	2021	2020
Land	\$ 670,716	\$ 670,716
Buildings and improvements	4,552,447	4,552,447
Equipment	618,438	530,821
Vehicles	437,086	308,782
Construction in progress	18,959	-
Donated works of art	158,325	158,325
	6,455,971	6,221,091
Less: Accumulated depreciation and amortization	(3,258,651)	(3,054,793)
Property and equipment, net	\$ 3,197,320	\$ 3,166,298

Depreciation and amortization expense was approximately \$239,000 and \$248,000 the years ended June 30, 2021 and 2020, respectively. During the year ended June 30, 2021, the Organization disposed of assets with a total net book value of approximately \$600.

6. NOTES PAYABLE

Note payable consist of the following as of June 30:

	2021	2020
<p>In March 2014, the Organization entered into a \$3,125,000 promissory mortgage note payable with a financial institution. The interest rate for the first seven years of the term shall be fixed at 4.20%. The interest rate for the remaining three years of the term shall be adjusted to a rate of prime plus 0.75%. The interest rate of the loan shall never fall below 4.20%. The effective interest rate at June 30, 2021 and 2020 was 4.20%. The note is repayable in consecutive monthly installments of principal and interest based on a twenty-five year amortization. The initial monthly payments for the fixed term of the loan are \$16,951. The loan matures in March 2024, at which time all unpaid principal and interest shall be due. This note is collateralized by the 5841 Corporate Way building. As of December 31, 2021 and 2020, the Organization had restricted cash of \$347,800 related to collateral on the mortgage.</p>	\$ 2,529,554	\$ 2,623,043
<p>Additionally, in January 2021, the Organization entered into a \$240,000 promissory note payable with the same financial institution to finance construction of a new roof for the 5841 Corporate Way building. The interest rate is fixed at 4.20% for the duration of the loan. The note is repayable in consecutive monthly installments of principal and interest based on a three year amortization, which includes a balloon payment on March 19, 2024, the date of maturity. This note is collateralized by the 5841 Corporate Way building.</p>	237,897	-
Less: current portion of note payable	(103,176)	(83,606)
Less: deferred loan costs	(18,483)	(24,693)
Note payable, net of current portion and deferred loan costs	\$ 2,645,792	\$ 2,514,744

**FERD AND GLADYS ALPERT JEWISH FAMILY & CHILDREN'S SERVICE
OF PALM BEACH COUNTY, INC. AND AFFILIATES**

NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

6. NOTES PAYABLE (CONTINUED)

Future maturities of the notes payable at June 30, 2021 are as follows:

For the years ending June 30,

2022	\$ 103,176
2023	107,657
2024	<u>2,556,618</u>
	<u>\$ 2,767,451</u>

Interest charged to expense for the note payable for the years ended June 30, 2021 and 2020 was approximately \$110,000 and \$114,000, respectively.

7. LINE OF CREDIT

During the years ended June 30, 2021 and 2020, the Organization had a line of credit in the amount of \$500,000. In May 2020, the Organization extended the term of the line which expired on May 11, 2021 and adjusted the interest rate to the prime rate plus .50%, or a minimum rate of 6%. The Organization renewed the line of credit in March 2022. At June 30, 2020, the interest rate on the line of credit was 6.00%. At June 30, 2020, there was no outstanding balance due on the line of credit. For the years ended June 30, 2021 and 2020, interest expense on the line of credit was approximately \$0 and \$18,000, respectively.

8. EMPLOYEE BENEFIT PLAN

The Organization sponsors a Tax-Sheltered Annuity Plan (the "Plan") under Section 403(b) of the Code. The Plan allows employee elective deferrals up to a maximum of 100% of compensation, not to exceed the Code elective deferral limits. The Plan was amended to eliminate the employer match provision.

The Plan also provides for employer discretionary contributions, made on behalf of the employee without regard to the amount of the elective deferral. The employer discretionary contribution is determined annually at the sole discretion of the employer. For the years ended June 30, 2021 and 2020, no employer discretionary contributions were made to the Plan.

9. INVESTMENTS HELD AT JEWISH FEDERATION OF PALM BEACH COUNTY, INC.

Investments consist of investments held and administered by the Federation. Investments are carried at NAV. The Investments held at the Federation and valued at NAV have no unfunded commitments at June 30, 2021 and 2020. Additionally, there are no explicit restrictions on the redemptions of such investments.

Investments at NAV consist of the following at June 30:

	<u>2021</u>	<u>2020</u>
Investments held at Jewish Federation of Palm Beach County, Inc.	<u>\$ 163,647</u>	<u>\$ 129,403</u>

The following schedule summarizes the investment income, net for the years ended June 30:

	<u>2021</u>	<u>2020</u>
Interest income	\$ 2,817	\$ 2,614
Net realized gains	1,045	613
Net unrealized gains (losses)	34,855	(1,698)
Fees	<u>(404)</u>	<u>(372)</u>
	<u>\$ 38,313</u>	<u>\$ 1,157</u>

**FERD AND GLADYS ALPERT JEWISH FAMILY & CHILDREN'S SERVICE
OF PALM BEACH COUNTY, INC. AND AFFILIATES**

NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

10. TRANSACTIONS WITH THE JEWISH FEDERATION OF PALM BEACH COUNTY, INC.

For the years ended June 30, 2021 and 2020, the Organization recorded allocation revenue from the Federation of approximately \$462,000 and \$412,000, respectively, which is included within the Combined Statements of Activities within "Contributions from Federation."

To assist with the payment of the mortgage loan for the building owned by the Organization at 5841 Corporate Way, the Federation makes a conditional payment to the Organization in the amount of \$195,000 per year, which is included in the Combined Statements of Activities within "Contributions from Federation." Payments began May 2008 and will continue for the shorter of 15 years or the duration of the mortgage.

Additionally, during the years ended June 30, 2021 and 2020, the Organization received approximately \$172,000 and \$311,000, respectively, in revenue from the Federation's senior service subsidy program. The senior service subsidy monies are contingent upon need and are used to subsidize patient service fees; as such, senior service subsidy revenue is reflected in the Combined Statements of Activities as "Patient service revenue, net" when earned.

During the years ended June 30, 2021 and 2020, the total amount of allocated funds and senior subsidy program support received from the Federation totaled approximately \$829,000 and \$918,000, respectively.

The Federation has endowment funds that distribute income to the Organization annually and will continue in perpetuity provided the Organization provides services consistent with the funds' designated purposes. These funds are assets of the Federation, and as such, are not included in the accompanying combined financial statements. As of June 30, 2021 and 2020, these balances were approximately \$4,512,000 and \$3,633,000, respectively. Contributions from the endowment funds were approximately \$239,000 and \$178,000 for the years ended June 30, 2021 and 2020, respectively, and are reflected in the Combined Statements of Activities as "Contributions".

Total receivables due from the Federation at June 30, 2021 and 2020 amounted to approximately \$437,000 and \$377,000, respectively. These receivables are due in less than one year. Revenue from the Federation, excluding donor directed contributions, represents approximately 4% and 5% of total public support and revenues for the years ended June 30, 2021 and 2020, respectively.

11. OPERATING LEASES

Leases – Lessee

On May 1, 2006, the Organization entered into a sixty-four-month lease for office space. Monthly rent ranged from \$12,218 to \$18,695 over the term of the lease. Simultaneous with the execution of the lease agreement, JFCS entered into an agreement with the Federation, whereby the Federation agreed to provide an allocation equal to the gross leasing expense, including specified annual increases. However, in April 2008, 5841 purchased the building referred to above, in which the Organization leased its office space. On April 11, 2008, JFCS entered into an open-ended lease for office space beginning May 1, 2008 with 5841. Rent of \$25,000 is payable monthly.

For each of the years ended June 30, 2021 and 2020, 5841 recorded rental income of \$300,000 and JFCS recorded rent expense of \$300,000. The rent revenue in 5841 and rent expense in JFCS is eliminated in the combined financial statements.

In connection with the changes in the leasing arrangements referred to above, JFCS entered into a revised agreement with the Federation, whereby the Federation agreed to provide an annual allocation of \$195,000 for occupancy expenses for the shorter of fifteen years or the duration of the mortgage on the building (NOTE 10). Due to this contingency in the agreement, the Organization records the allocation for occupancy expense as time lapses and costs are incurred rather than at inception.

**FERD AND GLADYS ALPERT JEWISH FAMILY & CHILDREN'S SERVICE
OF PALM BEACH COUNTY, INC. AND AFFILIATES**

NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

11. OPERATING LEASES (CONTINUED)

Leases – Lessee (Continued)

JRFS leases apartments on a month-to-month basis occupied by residents in the Organization's apartment program. Concurrent with the assumption of the lease, JRFS entered into an agreement with the residents for the rent amount charged by the landlord.

The Organization leased office space in Lake Worth, Florida from a third party through a non-cancelable operating lease agreement which expired on September 17, 2020. The monthly lease payments were made by two donors of the Organization. The Organization leased office space in Palm Beach Gardens, Florida from a third party through a non-cancelable operating lease agreement which expired on December 31, 2020. Additionally, the Organization leased office space in Wellington, Florida from a third party through a non-cancelable operating lease agreement which commenced on April 5, 2021 and expires on March 31, 2022.

Approximate future minimum lease payments under non-cancelable operating leases as of June 30, 2021 is as follows:

Years ending June 30,	
2022	\$ 43,000
2023	27,000
2024	28,000
2025	28,000
2026	12,000
	\$ 138,000

Rent expense for the years ended June 30, 2021 and 2020, pursuant to the above agreements was approximately \$316,000 and \$357,000, respectively.

Leases – Lessor

The Organization leases office space in the building to two third-party tenants on a month-to-month basis. Rental income from these leases was approximately \$16,000 and \$40,000 for the years ended June 30, 2021 and 2020, respectively.

12. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for time and purpose. The time restrictions will be met in future periods and the purpose restrictions will be met when the net assets are used for the specific purpose.

A portion of the total revenue of the Organization is received from the Federation. The Organization records the allocation for the next fiscal year as support with donor restrictions when notification from the Federation is received. The anticipated allocation in each of the years ended June 30, 2021 and 2020 is \$461,696 and \$411,696, respectively, and is recorded as support with donor restrictions on the Combined Statements of Activities within "Contributions from Federation". The Organization transfers this support to net assets without donor restrictions through net assets released from restrictions as the restriction is met.

Net assets with donor restrictions are as follows at June 30:

	2021	2020
Appreciation on donor-restricted endowment funds	\$ 43,647	\$ 9,403
Donor-restricted endowment funds	120,000	120,000
Promises to give, net	216,087	239,788
Allocation from Federation	461,696	411,696
Allocation from United Way of Palm Beach, Inc.	60,500	53,950
	\$ 901,930	\$ 834,837

**FERD AND GLADYS ALPERT JEWISH FAMILY & CHILDREN'S SERVICE
OF PALM BEACH COUNTY, INC. AND AFFILIATES**

NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

12. NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

The promises to give, net are restricted for the following purposes at June 30:

	2021	2020
Residential Activity Center	\$ 125,000	\$ 250,000
Other	100,000	-
	225,000	250,000
Less: Discount on long-term promises to give	(8,913)	(10,212)
	\$ 216,087	\$ 239,788

13. POOLED MEDICAID TRUST

The Trust (NOTE 1), was established to assist the disabled by making financial resources available for care while assisting in qualifying the individual for Medicaid. The value of the assets was \$6,268,331 and \$7,062,734 as of June 30, 2021 and 2020, respectively. The funds in the Trust are the assets and liabilities of the Organization for the primary benefit of the participants and are included in the accompanying combined financial statements. The Organization charges 1.75% per annum for the administration of the Trust. Revenues generated from the fee are split with the attorney that assists the Organization in administering the Trust. Revenue recorded in the Combined Statements of Activities for the years ended June 30, 2021 and 2020 totaled approximately \$75,000 and \$98,000, respectively, and is reflected within the caption "Other."

Upon death, the participants in the Trust have the option to leave any remainder interest in the Trust to the beneficiaries of the Trust or have the residual interest distributed to the surviving descendants after all Medicaid liens have been satisfied.

The following tables represents the Organization's financial instruments measured at fair value in the Trust at June 30, 2021 and 2020, respectively, for each of the fair value hierarchy levels:

Description	Fair Value Measurements at June 30, 2021			
	6/30/2021	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Money market mutual funds	\$ 77,834	\$ 77,834	\$ -	\$ -
Fixed income bonds	3,207,640	3,207,640	-	-
Equities	1,999,078	1,999,078	-	-
Bond funds	613,403	613,403	-	-
Equity funds	286,520	286,520	-	-
Exchange traded funds	83,856	83,856	-	-
Total assets in the fair value hierarchy	6,268,331	6,268,331	-	-
	\$ 6,268,331	\$ 6,268,331	\$ -	\$ -

**FERD AND GLADYS ALPERT JEWISH FAMILY & CHILDREN'S SERVICE
OF PALM BEACH COUNTY, INC. AND AFFILIATES**

NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

13. POOLED MEDICAID TRUST (CONTINUED)

Description	6/30/2020	Fair Value Measurements at June 30, 2020		
		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Money market mutual funds	\$ 344,615	\$ 344,615	\$ -	\$ -
Fixed income	3,906,477	3,906,477	-	-
Equities	1,608,685	1,608,685	-	-
Exchange traded funds	1,202,957	1,202,957	-	-
Total assets in the fair value hierarchy	7,062,734	7,062,734	-	-
	\$ 7,062,734	\$ 7,062,734	\$ -	\$ -

14. ENDOWMENTS

The Organization's endowments consist of two individual endowments established for a variety of purposes. Its endowments are comprised of donor-restricted endowment funds. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The State of Florida adopted the Florida Uniform Prudent Management of Institutional Funds Act ("FUPMIFA"). The Organization has interpreted the FUPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) changes to the permanent endowment made in accordance with the direction of the applicable donor gift instrument.

Also included in net assets with donor restrictions is accumulated appreciation on donor restricted endowment funds until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by the FUPMIFA, and deficiencies associated with funds where the value of the fund has fallen below the original value of the gift.

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

- (1) The duration and preservation of the fund
- (2) The purposes of the Organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Organization
- (7) The investment policy of the Organization

For the years ended June 30, 2021 and 2020, the Organization has elected not to add appreciation for cost of living or other spending policies to its donor restricted endowment for inflation and other economic conditions.

**FERD AND GLADYS ALPERT JEWISH FAMILY & CHILDREN'S SERVICE
OF PALM BEACH COUNTY, INC. AND AFFILIATES**

NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

14. ENDOWMENTS (CONTINUED)

Summary of Endowment Net Assets at June 30, 2021:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 120,000	\$ 120,000
Accumulated investment gains	-	43,647	43,647
Total endowment funds	\$ -	\$ 163,647	\$ 163,647

Summary of Endowment Net Assets at June 30, 2020:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 120,000	\$ 120,000
Accumulated investment gains	-	9,403	9,403
Total endowment funds	\$ -	\$ 129,403	\$ 129,403

Changes in endowment net assets for the year ended June 30, 2021:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Net assets, June 30, 2020	\$ -	\$ 129,403	\$ 129,403
Released from restriction and appropriated for expenditure	-	(4,069)	(4,069)
Investment income, net	-	38,313	38,313
Net assets, June 30, 2021	\$ -	\$ 163,647	\$ 163,647

**FERD AND GLADYS ALPERT JEWISH FAMILY & CHILDREN'S SERVICE
OF PALM BEACH COUNTY, INC. AND AFFILIATES**

NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

14. ENDOWMENTS (CONTINUED)

Changes in endowment net assets for the year ended June 30, 2020:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Net assets, June 30, 2019	\$ -	\$ 132,258	\$ 132,258
Released from restriction and appropriated for expenditure	-	(4,012)	(4,012)
Investment income, net	-	1,157	1,157
Net assets, June 30, 2020	\$ -	\$ 129,403	\$ 129,403

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or FUPMIFA requires the Organization to retain as a fund of perpetual duration. There were no such deficiencies as of June 30, 2021 and 2020.

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets consist of assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period(s). The Organization expects its endowment funds, over time, to provide a rate of return in excess of the original donor restricted principal. Actual returns in any given year may vary.

Strategies Employed for Achieving Objectives

To satisfy long-term rate-of-return objectives, the Organization's assets are invested in the Federations' pooled general account. The pooled general account investment strategy is to place emphasis on broad diversification to reduce portfolio volatility and maximize investment returns at appropriate levels of risk over time.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organization has a policy of appropriating distributions based on written agreements with the donors. The spending policy calculates the amount of money annually distributed from the Organization's endowment funds. The spending policy allows for the Organization to distribute an annual amount, of either 3% or 4%, of the respective fair value of the two endowment funds measured on a rolling average each January 1. Distributions during the years ended June 30, 2021 and 2020 totaled \$4,069 and \$4,012, respectively.

This policy is consistent with the Organization's objective to maintain the purchasing power of endowment assets and to provide additional real growth through investment return.

**FERD AND GLADYS ALPERT JEWISH FAMILY & CHILDREN'S SERVICE
OF PALM BEACH COUNTY, INC. AND AFFILIATES**

NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

15. COMMITMENTS AND CONTINGENCIES

Litigation

The Organization is exposed to various asserted and unasserted potential claims encountered in the normal course of business. In the opinion of management, the resolution of these matters will not have an effect on the Organization's combined financial position or the combined results of activities.

Grants

Certain programs in which the Organization participates are subject to periodic audits by the granting agencies. Such audits may subject grant programs to compliance tests that may result in disallowed costs. In the opinion of management, future disallowances of grant expenditures, if any, would not have a material adverse effect on the combined financial condition of the Organization.

16. PAYCHECK PROTECTION PROGRAM REFUNDABLE ADVANCES

On April 10, 2020, the Organization received two loans, the first in the amount of approximately \$909,000, and the second in the amount of \$330,000, under the Paycheck Protection Program ("PPP") authorized by the Coronavirus Aid, Relief, and Economic Security Act ("CARES") that was signed into law on March 27, 2020. The Organization used the funds for payroll, rent, utilities, and other forgivable expenses. The proceeds from the loan were originally recognized as a refundable advance in accordance with FASB ASC 958. On December 30, 2020, the Organization was granted forgiveness and legally released from the obligation by the Small Business Administration and recognized the proceeds as revenue for the year ended June 30, 2021. The forgiveness of approximately \$1,239,000 is reflected within the caption Paycheck Protection Program in the Combined Statements of Activities for the year ended June 30, 2021.

17. RISKS AND UNCERTAINTIES

Concentrations of Credit Risk

The Organization maintains cash balances with a financial institution in South Florida. Accounts at the institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. Although cash balances may exceed federally insured limits at times during the year, the Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Concentrations of Promises to Give, Contributions and Grants

At June 30, 2021, four donors accounted for approximately 81% of promises to give. At June 30, 2020, one donor accounted for 100% of promises to give.

During the years ended June 30, 2021 and 2020, Claims Conference revenues accounted for approximately 41% and 39% of total public support and revenues, respectively. Claims Conference receivables accounted for approximately 19% of total accounts receivable as of June 30, 2021. The Organization had no Claims Conference receivables outstanding as of June 30, 2020.

See NOTE 10 for concentrations related to the Federation.

**FERD AND GLADYS ALPERT JEWISH FAMILY & CHILDREN'S SERVICE
OF PALM BEACH COUNTY, INC. AND AFFILIATES**

NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

17. RISKS AND UNCERTAINTIES (CONTINUED)

COVID-19 Impact

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of COVID-19 outbreak and the risks to the international community as the virus spread globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The Organization's operations are heavily dependent on grants and contracts from federal, state, and local governments to provide services to service recipients. Additionally, funding from governmental sources may be subject to budget modifications depending on appropriations. The Organization has incurred, and it is expected to incur for the foreseeable future, incremental and other COVID-19 pandemic- related expenses.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce.

On March 27, 2020, the CARES Act was enacted. The CARES Act contains measures designed to bring some economic and fiscal relief to companies, small businesses, and individuals facing financial difficulties due to the COVID-19 crisis.

The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback period, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions and technical corrections to tax depreciation methods for qualified improvement property.

As discussed in NOTE 16, the Organization received a loan under the Paycheck Protection Program. Other than those previously discussed, the Organization did not apply for any other funding and noted no material impact from the other tax provisions.

On December 27, 2020, Congress enacted the Consolidated Appropriations Act, 2021 (the Act), which includes \$ 900 billion in stimulus relief as a result of the COVID-19 pandemic. On March 10, 2021, President Biden signed the \$ 1.9 trillion American Rescue Plan Act into law. The Organization does not intend to apply for funding under the Act and American Rescue Plan Act.

18. SUBSEQUENT EVENTS

Closing of Group Home

In April 2021, the Organization evaluated its group home operations and determined that it would be in the best interest of the residential program and the clients served to close one of the two group homes owned and operated by the Melvin J & Claire Levine Jewish Residential & Family Services of Palm Beach County. As of August 31, 2021, no clients were living in the home. In May 2022 the agency put the vacated home up for sale.

Debt Modification

In April 2022, the Organization modified the loans with an original issue amount of \$3,125,000 and \$240,000 with the original financial institution. The modification included consolidating the two loans into one loan and extending the maturity to April 11, 2032. There was no change to the interest rate.

SUPPLEMENTAL SCHEDULES

**FERD AND GLADYS ALPERT JEWISH FAMILY & CHILDREN'S SERVICE
OF PALM BEACH COUNTY, INC. AND AFFILIATES**

COMBINING SCHEDULE OF FINANCIAL POSITION
JUNE 30, 2021

ASSETS	JFCS	5841	JRFS	Eliminations	Total
CURRENT ASSETS					
Cash (Including \$327,200 of board designated cash)	\$ 3,624,854	\$ 220,007	\$ 504,779	\$ -	\$ 4,349,640
Restricted cash	-	-	347,800	-	347,800
Investments held in Medicaid Pooled Trust	6,268,331	-	-	-	6,268,331
Due from affiliate	443,038	-	278,516	(721,554)	-
Accounts receivable:					
Jewish Federation of Palm Beach County, Inc.	437,129	-	-	-	437,129
Client charges	225,931	-	223,900	-	449,831
Grants	341,158	-	-	-	341,158
United Way of Palm Beach County, Inc.	60,500	-	-	-	60,500
Promises to give, net	215,801	-	122,407	-	338,208
Bequests receivable	31,943	-	-	-	31,943
Prepaid expenses and other assets	162,654	24,339	25,657	-	212,650
TOTAL CURRENT ASSETS	11,811,339	244,346	1,503,059	(721,554)	12,837,190
PROMISES TO GIVE, NET OF DISCOUNT AND CURRENT PORTION	68,681	-	-	-	68,681
INVESTMENTS HELD AT JEWISH FEDERATION OF PALM BEACH COUNTY, INC.	163,647	-	-	-	163,647
PROPERTY AND EQUIPMENT, NET	497,564	2,274,980	424,776	-	3,197,320
TOTAL ASSETS	\$ 12,541,231	\$ 2,519,326	\$ 1,927,835	\$ (721,554)	\$ 16,266,838
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts payable and accrued expenses	\$ 3,348,440	\$ 3,643	\$ 109,223	\$ -	\$ 3,461,306
Medicaid Pooled Trust Investments held on behalf of others	6,268,331	-	-	-	6,268,331
Deferred revenue	54,148	2,000	166,091	-	222,239
Paycheck Protection Program refundable advances	-	-	-	-	-
Note payable, current portion	-	103,176	-	-	103,176
Due to affiliate	-	721,554	-	(721,554)	-
TOTAL CURRENT LIABILITIES	9,670,919	830,373	275,314	(721,554)	10,055,052
NOTE PAYABLE, LESS CURRENT PORTION	-	2,645,792	-	-	2,645,792
TOTAL LIABILITIES	9,670,919	3,476,165	275,314	(721,554)	12,700,844
NET ASSETS					
Without donor restrictions					
Undesignated	2,090,789	(956,839)	855,114	-	1,989,064
Board-designated	-	-	675,000	-	675,000
Total net assets without donor restrictions	2,090,789	(956,839)	1,530,114	-	2,664,064
With donor restrictions	779,523	-	122,407	-	901,930
TOTAL NET ASSETS	2,870,312	(956,839)	1,652,521	-	3,565,994
TOTAL LIABILITIES AND NET ASSETS	\$ 12,541,231	\$ 2,519,326	\$ 1,927,835	\$ (721,554)	\$ 16,266,838

**FERD AND GLADYS ALPERT JEWISH FAMILY & CHILDREN'S SERVICE
OF PALM BEACH COUNTY, INC. AND AFFILIATES**

COMBINING SCHEDULE OF FINANCIAL POSITION
JUNE 30, 2020 (AS RESTATED)

ASSETS	JFCS	5841	JRFS	Eliminations	Total
CURRENT ASSETS					
Cash (Including \$327,200 of board designated cash)	\$ 3,453,806	\$ 527	\$ 346,334	\$ -	\$ 3,800,667
Restricted cash	-	-	347,800	-	347,800
Investments held in Medicaid Pooled Trust	7,062,734	-	-	-	7,062,734
Due from affiliate	-	-	748,328	(748,328)	-
Accounts receivable:					
Jewish Federation of Palm Beach County, Inc.	377,388	-	-	-	377,388
Client charges	212,430	-	52,729	-	265,159
Grants	22,745	-	-	-	22,745
United Way of Palm Beach County, Inc.	53,950	-	-	-	53,950
Promises to give, net	-	-	125,000	-	125,000
Bequests receivable	776,086	-	-	-	776,086
Prepaid expenses and other assets	58,798	23,589	32,484	-	114,871
TOTAL CURRENT ASSETS	12,017,937	24,116	1,652,675	(748,328)	12,946,400
PROMISES TO GIVE, NET OF DISCOUNT AND CURRENT PORTION	-	-	114,788	-	114,788
INVESTMENTS HELD AT JEWISH FEDERATION OF PALM BEACH COUNTY, INC.	129,403	-	-	-	129,403
PROPERTY AND EQUIPMENT, NET	499,835	2,372,968	293,495	-	3,166,298
TOTAL ASSETS	\$ 12,647,175	\$ 2,397,084	\$ 2,060,958	\$ (748,328)	\$ 16,356,889
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts payable and accrued expenses	\$ 2,884,987	\$ 2,523	\$ 123,486	\$ -	\$ 3,010,996
Medicaid Pooled Trust Investments held on behalf of others	7,062,734	-	-	-	7,062,734
Deferred revenue	177,288	2,000	153,904	-	333,192
Paycheck Protection Program refundable advances	909,299	-	329,660	-	1,238,959
Note payable, current portion	-	83,606	-	-	83,606
Due to affiliate	61,228	687,100	-	(748,328)	-
TOTAL CURRENT LIABILITIES	11,095,536	775,229	607,050	(748,328)	11,729,487
NOTE PAYABLE, LESS CURRENT PORTION	-	2,514,744	-	-	2,514,744
TOTAL LIABILITIES	11,095,536	3,289,973	607,050	(748,328)	14,244,231
NET ASSETS					
Without donor restrictions					
Undesignated	956,590	(892,889)	539,120	-	602,821
Board-designated	-	-	675,000	-	675,000
Total net assets without donor restrictions	956,590	(892,889)	1,214,120	-	1,277,821
With donor restrictions	595,049	-	239,788	-	834,837
TOTAL NET ASSETS	1,551,639	(892,889)	1,453,908	-	2,112,658
TOTAL LIABILITIES AND NET ASSETS	\$ 12,647,175	\$ 2,397,084	\$ 2,060,958	\$ (748,328)	\$ 16,356,889

**FERD AND GLADYS ALPERT JEWISH FAMILY & CHILDREN'S SERVICE
OF PALM BEACH COUNTY, INC. AND AFFILIATES**

COMBINING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	JFCS	5841	JRFS	Eliminations	Total
PUBLIC SUPPORT AND REVENUES					
WITHOUT DONOR RESTRICTIONS:					
Contributions from Federation	\$ 195,000	\$ -	\$ -	\$ -	\$ 195,000
Contributions	2,298,101	-	267,196	-	2,565,297
Government grant revenue	909,299	-	329,660	-	1,238,959
Fundraising events	373,842	-	-	-	373,842
Contracts and grants	649,976	-	163,262	-	813,238
Claims Conference grant revenue	6,666,894	-	-	-	6,666,894
Net patient service revenue	1,712,937	-	2,169,163	-	3,882,100
Rental income	-	316,408	-	(300,000)	16,408
Other	114,455	-	23,914	(12,000)	126,369
Net assets released from restrictions	469,715	-	117,381	-	587,096
TOTAL PUBLIC SUPPORT AND REVENUES WITHOUT DONOR RESTRICTIONS	13,390,219	316,408	3,070,576	(312,000)	16,465,203
Program services:					
Community services	893,231	-	-	(48,734)	844,497
Long-term care	7,965,402	-	-	(114,754)	7,850,648
Behavioral health	1,955,776	-	-	(67,298)	1,888,478
Residential	-	-	2,463,493	-	2,463,493
TOTAL PROGRAM SERVICES	10,814,409	-	2,463,493	(230,786)	13,047,116
Support services:					
Fundraising and development	1,055,089	-	-	(39,624)	1,015,465
Management and general	386,522	380,358	291,089	(41,590)	1,016,379
TOTAL SUPPORT SERVICES	1,441,611	380,358	291,089	(81,214)	2,031,844
TOTAL EXPENSES	12,256,020	380,358	2,754,582	(312,000)	15,078,960
CHANGE IN NET ASSETS					
WITHOUT DONOR RESTRICTIONS					
	1,134,199	(63,950)	315,994	-	1,386,243
PUBLIC SUPPORT AND REVENUES					
WITH DONOR RESTRICTIONS					
Contributions from Federation	461,696	-	-	-	461,696
Contributions	93,680	-	-	-	93,680
Contracts and grants	60,500	-	-	-	60,500
Investment income, net	38,313	-	-	-	38,313
Net assets released from restrictions	(469,715)	-	(117,381)	-	(587,096)
TOTAL PUBLIC SUPPORT AND REVENUES WITH DONOR RESTRICTIONS	184,474	-	(117,381)	-	67,093
CHANGE IN NET ASSETS					
WITH DONOR RESTRICTIONS					
	184,474	-	(117,381)	-	67,093
CHANGE IN NET ASSETS	1,318,673	(63,950)	198,613	-	1,453,336
NET ASSETS AT BEGINNING OF YEAR	1,551,639	(892,889)	1,453,908	-	2,112,658
NET ASSETS AT END OF YEAR	\$ 2,870,312	\$ (956,839)	\$ 1,652,521	\$ -	\$ 3,565,994

**FERD AND GLADYS ALPERT JEWISH FAMILY & CHILDREN'S SERVICE
OF PALM BEACH COUNTY, INC. AND AFFILIATES**

COMBINING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

	JFCS	5841	JRFS	Eliminations	Total
PUBLIC SUPPORT AND REVENUES					
WITHOUT DONOR RESTRICTIONS:					
Contributions from Federation	\$ 195,000	\$ -	\$ -	\$ -	\$ 195,000
Contributions	2,348,237	-	402,133	-	2,750,370
Fundraising events	451,894	-	-	-	451,894
Contracts and grants	484,168	-	12,500	-	496,668
Claims Conference grant revenue	5,474,939	-	-	-	5,474,939
Net patient service revenue	1,883,892	-	2,258,394	-	4,142,286
Rental income	-	339,729	-	(300,000)	39,729
Other	129,490	-	36,505	(12,000)	153,995
Net assets released from restrictions	597,363	-	103,422	-	700,785
TOTAL PUBLIC SUPPORT AND REVENUES WITHOUT DONOR RESTRICTIONS	11,564,983	339,729	2,812,954	(312,000)	14,405,666
EXPENSES:					
Program services:					
Community services	824,518	-	-	(48,734)	775,784
Long-term care	7,073,000	-	-	(114,754)	6,958,246
Behavioral health	2,044,831	-	-	(67,298)	1,977,533
Residential	-	-	2,666,087	-	2,666,087
TOTAL PROGRAM SERVICES	9,942,349	-	2,666,087	(230,786)	12,377,650
Support services:					
Fundraising and development	1,027,310	-	-	(39,624)	987,686
Management and general	290,979	375,527	300,257	(41,590)	925,173
TOTAL SUPPORT SERVICES	1,318,289	375,527	300,257	(81,214)	1,912,859
TOTAL EXPENSES	11,260,638	375,527	2,966,344	(312,000)	14,290,509
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	304,345	(35,798)	(153,390)	-	115,157
PUBLIC SUPPORT AND REVENUES					
WITH DONOR RESTRICTIONS:					
Contributions from Federation	411,696	-	-	-	411,696
Contracts and grants	53,950	-	-	-	53,950
Investment income, net	1,157	-	-	-	1,157
Net assets released from restrictions	(597,363)	-	(103,422)	-	(700,785)
TOTAL PUBLIC SUPPORT AND REVENUES WITH DONOR RESTRICTIONS	(130,560)	-	(103,422)	-	(233,982)
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	(130,560)	-	(103,422)	-	(233,982)
CHANGE IN NET ASSETS	173,785	(35,798)	(256,812)	-	(118,825)
NET ASSETS AT BEGINNING OF YEAR	1,377,854	(857,091)	1,710,720	-	2,231,483
NET ASSETS AT END OF YEAR	\$ 1,551,639	\$ (892,889)	\$ 1,453,908	\$ -	\$ 2,112,658