

JEWISH FAMILY AND  
COMMUNITY SERVICES EAST BAY

JUNE 30, 2021

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INDEPENDENT AUDITORS' REPORT

AND

FINANCIAL STATEMENTS

# **Jewish Family and Community Services East Bay**

## **Independent Auditors' Report and Financial Statements**

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<b>Independent Auditors' Report</b>	1 - 2
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### **Financial Statements**

Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 16



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## **Independent Auditors' Report**

THE BOARD OF DIRECTORS  
JEWISH FAMILY AND  
COMMUNITY SERVICES EAST BAY  
Concord, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **JEWISH FAMILY AND COMMUNITY SERVICES EAST BAY**, which comprise the statement of financial position as of June 30, 2021, the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

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

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jewish Family and Community Services East Bay 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.

### **Report on Summarized Comparative Information**

We have previously audited Jewish Family and Community Services East Bay's June 30, 2020 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated December 4, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Hood & Strong LLP*

San Jose, California  
December 22, 2021

# Jewish Family and Community Services East Bay

## Statement of Financial Position

<i>June 30, 2021 (with comparative totals for 2020)</i>	2021	2020
<b>Assets</b>		
Cash and cash equivalents	\$ 797,232	\$ 1,879,614
Investments	1,871,952	1,240,144
Grants and pledges receivable	1,105,711	965,558
Contracts and program fees receivable, net	962,954	449,897
Beneficial interest in the endowment fund of Jewish Federation of the Greater East Bay	147,484	163,037
Prepaid expenses	76,895	112,821
Other assets	36,310	44,733
<b>Total Assets</b>	<b>\$ 4,998,538</b>	<b>\$ 4,855,804</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 827,529	\$ 671,364
Salaries payable	134,830	148,602
Compensated absences	365,895	463,323
Note payable - Paycheck Protection Program		265,481
Deferred revenue	129,761	500
<b>Total liabilities</b>	<b>1,458,015</b>	<b>1,549,270</b>
<b>Net Assets:</b>		
Without donor restrictions		
Board-designated endowment	133,037	133,037
Undesignated	715,635	691,618
<b>Total without donor restrictions</b>	<b>848,672</b>	<b>824,655</b>
With donor restrictions	2,691,851	2,481,879
<b>Total net assets</b>	<b>3,540,523</b>	<b>3,306,534</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 4,998,538</b>	<b>\$ 4,855,804</b>

See accompanying notes to financial statements.

# Jewish Family and Community Services East Bay

## Statement of Activities

*Year Ended June 30, 2021 (with comparative totals for 2020)*

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
<b>Revenue and Support:</b>				
Alameda County contract	\$ 1,445,042		\$ 1,445,042	\$ 1,740,106
Other government contracts	2,000,179		2,000,179	1,913,752
Other contract revenue	108,286		108,286	53,537
Client fees	50,403		50,403	68,508
Homecare fees	806,995		806,995	1,101,927
Individual contributions	905,506	\$ 582,863	1,488,369	1,451,410
Foundation and corporate grants	57,000	2,301,933	2,358,933	2,529,313
Paycheck Protection Program forgiveness	265,481		265,481	489,718
Special events, net	270,435		270,435	259,858
Investment return, net	195,957		195,957	(60,153)
Net assets released from restriction	2,674,824	(2,674,824)	-	-
<b>Total revenue and support</b>	<b>8,780,108</b>	<b>209,972</b>	<b>8,990,080</b>	<b>9,547,976</b>
<b>Expenses:</b>				
Program services:				
Parenting and youth services	2,293,716		2,293,716	2,446,564
Refugee services	881,559		881,559	1,086,147
Adult services	1,996,576		1,996,576	1,888,268
Home care services	778,392		778,392	1,116,575
Immigration legal services	757,562		757,562	714,606
Volunteer services	291,810		291,810	271,528
<b>Total program services</b>	<b>6,999,615</b>		<b>6,999,615</b>	<b>7,523,688</b>
Supporting services:				
General and administrative	1,279,447		1,279,447	1,150,703
Fundraising	477,029		477,029	380,708
<b>Total supporting services</b>	<b>1,756,476</b>		<b>1,756,476</b>	<b>1,531,411</b>
<b>Total expenses</b>	<b>8,756,091</b>		<b>8,756,091</b>	<b>9,055,099</b>
<b>Change in Net Assets</b>	<b>24,017</b>	<b>209,972</b>	<b>233,989</b>	<b>492,877</b>
<b>Net Assets, beginning of year</b>	<b>824,655</b>	<b>2,481,879</b>	<b>3,306,534</b>	<b>2,813,657</b>
<b>Net Assets, end of year</b>	<b>\$ 848,672</b>	<b>\$ 2,691,851</b>	<b>\$ 3,540,523</b>	<b>\$ 3,306,534</b>

See accompanying notes to financial statements.

# Jewish Family and Community Services East Bay

## Statement of Functional Expenses

Year Ended June 30, 2021 (with comparative totals for 2020)

	Program Services							Supporting Services			2021	2020
	Parenting and Youth Services	Refugee Services	Adult Services	Home Care Services	Immigration Legal Services	Volunteer Services	Total Programs	General and Administrative	Fundraising	Total Support Services	Total	Total
Salaries	\$ 1,553,561	\$ 476,715	\$ 478,501	\$ 66,922	\$ 494,445	\$ 165,347	\$ 3,235,491	\$ 727,658	\$ 271,597	\$ 999,255	\$ 4,234,746	\$ 4,090,197
Payroll taxes and fringe benefits	250,357	78,255	77,757	10,672	75,500	27,757	520,298	113,421	43,622	157,043	677,341	848,444
<b>Total personnel costs</b>	<b>1,803,918</b>	<b>554,970</b>	<b>556,258</b>	<b>77,594</b>	<b>569,945</b>	<b>193,104</b>	<b>3,755,789</b>	<b>841,079</b>	<b>315,219</b>	<b>1,156,298</b>	<b>4,912,087</b>	<b>4,938,641</b>
Professional fees and outside services	182,861	42,968	29,656	2,797	39,562	8,778	306,622	298,879	75,482	374,361	680,983	744,022
Homecare fees				670,609			670,609				670,609	953,856
Client assistance	56,609	181,664	1,265,002	1,080	27,045		1,531,400			-	1,531,400	1,541,217
Occupancy	126,395	63,192	105,012	15,722	74,056	31,292	415,669	41,497	28,571	70,068	485,737	380,879
Office expenses	80,576	30,262	29,608	4,163	22,841	52,333	219,783	22,578	35,291	57,869	277,652	286,163
Depreciation	1,303	421	505	74	445	158	2,906		217	217	3,123	2,796
Advertising	16,937	1,279	1,716	5,609	9,575	611	35,727	41,110	1,689	42,799	78,526	33,690
Dues, membership and subscriptions	10,199	1,655	2,502	215	8,331	484	23,386	26,080	9,488	35,568	58,954	47,624
Transportation and conferences	2,284	2,565	456	43	950	3,899	10,197	5,716	690	6,406	16,603	86,579
Miscellaneous	12,634	2,583	5,861	486	4,812	1,151	27,527	2,508	10,382	12,890	40,417	39,632
<b>Total expenses before special event expenses</b>	<b>2,293,716</b>	<b>881,559</b>	<b>1,996,576</b>	<b>778,392</b>	<b>757,562</b>	<b>291,810</b>	<b>6,999,615</b>	<b>1,279,447</b>	<b>477,029</b>	<b>1,756,476</b>	<b>8,756,091</b>	<b>9,055,099</b>
Direct benefit to attendees of special events									53,947	53,947	53,947	142,637
<b>Total</b>	<b>\$ 2,293,716</b>	<b>\$ 881,559</b>	<b>\$ 1,996,576</b>	<b>\$ 778,392</b>	<b>\$ 757,562</b>	<b>\$ 291,810</b>	<b>\$ 6,999,615</b>	<b>\$ 1,279,447</b>	<b>\$ 530,976</b>	<b>\$ 1,810,423</b>	<b>\$ 8,810,038</b>	<b>\$ 9,197,736</b>

See accompanying notes to financial statements.

# Jewish Family and Community Services East Bay

## Statement of Cash Flows

<i>Year Ended June 30, 2021 (with comparative totals for 2020)</i>	2021	2020
<b>Operating Activities:</b>		
Change in net assets	\$ 233,989	\$ 492,877
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Net realized and unrealized loss on investments	(208,845)	130,939
Change in value of beneficial interest	15,553	29,473
Paycheck Protection Program forgiveness	(265,481)	(489,718)
Changes in operating assets and liabilities:		
Grants and pledges receivable	(140,153)	(18,642)
Contracts and program fee receivable	(513,057)	573,071
Prepaid expenses	35,926	7,491
Other assets	8,423	(20,249)
Accounts payable	156,165	171,205
Salaries payable	(13,772)	14,970
Compensated absences	(97,428)	148,955
Deferred revenue	129,261	(68,705)
<b>Net cash (used) provided by operating activities</b>	<b>(659,419)</b>	<b>971,667</b>
<b>Investing Activities:</b>		
Purchase of investments	(2,065,808)	(1,558,376)
Sales and maturities of investments	1,642,845	1,450,254
Purchase of property and equipment		(12,495)
Additions to beneficial interest		(33,000)
<b>Net cash used by investing activities</b>	<b>(422,963)</b>	<b>(153,617)</b>
<b>Cash Flows from Financing Activities:</b>		
Proceeds from note payable - Paycheck Protection Program		755,200
<b>Net cash provided by financing activities</b>		<b>755,200</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>(1,082,382)</b>	<b>1,573,250</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>1,879,614</b>	<b>306,364</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>\$ 797,232</b>	<b>\$ 1,879,614</b>
<b>Supplemental Disclosure of Non-Cash Financing Activity</b>		
Forgiveness of Paycheck Protection Program note	\$ 265,481	\$ 489,718

See accompanying notes to financial statements.



# Jewish Family and Community Services East Bay

## Notes to Financial Statement

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### Note 1 - Organization:

Established in 1877, Jewish Family and Community Services East Bay (JFCS East Bay) promotes the well-being of individuals and families by providing essential mental health and social services through every stage of life, serving people of all races, religions and cultures throughout Alameda and Contra Costa counties. Agency services are grouped into five principal areas:

#### *Programs:*

**Parenting & Youth Services** provides mental health assessment and support to underserved children and their families, including home-based intervention and ongoing case management for children ages 0-8 who have experienced trauma and violence. Most of the children served are African American and Latinx. The agency provides mental health consultation services to numerous low-income preschool sites, helping teachers, administrators, and parents to effectively support children and families. The agency's early childhood staff has expertise in responding to children exposed to domestic and community violence, trauma, and neglect.

**Refugee Services & Immigration Legal Services** includes multilingual services to refugees and immigrants from Afghanistan, Iran, Iraq, Syria, Uganda, the former Soviet Union, and countries throughout Central and South America. These services include initial and ongoing resettlement, immigration legal services, mental health services, family support and child abuse prevention, and assistance with navigating health care and other systems. Mental health services include a variety of individual, family, group, and community interventions, often addressing post-traumatic stress due to war, violence, persecution, and relocation.

**Adult Services** encompasses an array of services for older adults and their families, geared toward preserving elders' dignity and independence, enabling people to age safely in their own homes while remaining connected with the community around them. Services include home care, geriatric care consultation, counseling, support groups, and a free Senior Information Line providing resources and referrals. The agency also provides specialized services to Holocaust survivors. In addition, JFCS East Bay offers mental health and other supportive services to adults of all ages, including people with developmental disabilities and those who are dealing with bereavement.

**Home Care** program provides compassionate, professional, reliable, and personalized home care services. JFCS East Bay's geriatric social workers partner with caregivers and provide an extra level of oversight and advocacy, including home visits. JFCS East Bay provides culturally sensitive care that incorporates knowledge of Jewish traditions.

**Volunteer Services** engages more than 400 volunteers in a variety of client support services, especially for newly arrived refugees and for seniors needing contact and support in order to remain safely at home.

# Jewish Family and Community Services East Bay

## Notes to Financial Statement

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### Note 2 - Summary of Significant Accounting Policies:

#### a. Accounting and Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting in accordance with Generally Accepted Accounting Principles in the United States of America (U. S. GAAP).

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

*Net Assets Without Donor Restrictions* – the portion of net assets that is not restricted by donor-imposed stipulations. These net assets are available for use by management and the Board for general operations or as designated by the Board.

*Net Assets with Donor Restrictions* – the portion of net assets that are subject to donor-imposed stipulations. Some donor-imposed stipulations are temporary in nature, the use of which is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of JFCS East Bay. Some donor-imposed stipulations are permanent in nature, the use of which is limited by donor-imposed stipulations that neither expire by passage of time nor can be removed by actions of JFCS East Bay.

#### b. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, JFCS East Bay considers all highly-liquid investments with a maturity of three months or less at the date of acquisition, to be cash equivalents.

#### c. Investments and Fair Value Measurements

JFCS East Bay carries investments in marketable equity securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position. Marketable securities primarily consist of shares in publicly traded companies and are valued at fair value. Unrealized gains and losses are included in the changes in net assets in the accompanying Statement of Activities.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. JFCS East Bay classifies its financial assets and liabilities based on a valuation method using three levels:

Level 1 Unadjusted quoted market prices unadjusted in active markets for identical assets or liabilities.

# Jewish Family and Community Services East Bay

## Notes to Financial Statement

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Level 2 Indirect market-based inputs or observable inputs that are corroborated by market data.

Level 3 Unobservable inputs that are not corroborated by market data.

In determining the appropriate levels, JFCS East Bay performs an analysis of the assets and liabilities that are subject to fair value measurement.

d. Grants and Pledges Receivable

Grants and pledges receivable are unconditional promises to give that are recognized at fair value when the promise is received. An allowance for uncollectible grants and pledges receivable is determined based on management's evaluation of the collectability of the individual promises.

e. Revenue Recognition

JFCS East Bay performs an analysis of each grant and contract to determine if it should be accounted for as a contribution or as an exchange transaction. If the award is determined to be a contribution, it is recognized as described in the following paragraph. If the award is determined to be an exchange transaction, the award is recognized either as qualifying expenditures are incurred, if a cost reimbursement award or when a unit of service is provided. Grant revenue from governmental agencies is subject to independent audit and review by grantor agencies. The review could result in the disallowance of expenditures under the terms of the grant or reductions of future grant funds. Based on prior experience, the JFCS East Bay's management believes that costs ultimately disallowed, if any, would not materially affect the financial position of the organization.

Contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Donor-restricted contributions that are met in the same period the award is recognized are reported as increases in net assets without donor restrictions. Unconditional promises with payments due in future years that have an implied restriction to be used in the year the payment is due, are reported as net assets with donor restrictions unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

JFCS East Bay recognizes services and other fee revenue in the period when the service has been provided.

JFCS East Bay receives a significant portion of its revenue, 22% for the year ended June 30, 2021, from governmental sources.

# Jewish Family and Community Services East Bay

## Notes to Financial Statement

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f. Expense Allocation

The costs of providing various programs and other support activities are summarized on a functional basis in the Statement of Functional Expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions, such as personnel and facility costs have been allocated among the various functions benefited on the basis of time estimates. Additionally, other costs, such as supplies, that are not attributable directly to a specific function are pooled and also allocated on the basis of time estimates of the employees that work in that function.

g. Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

h. Income Tax Status

JFCS East Bay is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and is exempt from California franchise taxes under Section 23701(d) of the Revenue and Taxation Code. In addition, JFCS East Bay has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Internal Revenue Code.

Management has concluded that JFCS East Bay has taken no uncertain tax positions that would require adjustment to or disclosure in these financial statements.

i. Recently Issued Accounting Standards

*Adopted*

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contract with Customers* (Topic 606), as amended through July 1, 2019. The ASU requires that revenue should be recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance was adopted as of July 1, 2020. Adoption of this guidance is reflected in the financial statements and did not have a significant impact on the financial statements or disclosure. Furthermore, analysis of various provisions of this standard resulted in no significant changes in the way JFCS East Bay recognizes revenue, and therefore no changes to previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

# Jewish Family and Community Services East Bay

## Notes to Financial Statement

### *Pronouncements effective in the future*

In February 2016, the FASB issued ASU 2016-02 – *Leases* (Topic 842). The new standard will supersede much of the existing authoritative literature for leases. This ASU requires lessees, among other things, to recognize right-of-use assets and liabilities on their balance sheet for all leases with lease terms longer than twelve months. The amendments in this ASU will be effective for financial statements issued for fiscal years beginning after December 15, 2021. Early application is permitted. Management is currently evaluating the impact this will have on JFCS East Bay’s future financial statements.

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU changes the required presentation of in-kind contributions other than contributed services. The first element will require separate presentation on the Statement of Activities and the second element will require additional disclosure about how the in-kind gifts were utilized (in which program or as part of management and general or fundraising), donor restrictions associated with the gifts and valuation techniques employed. The ASU is effective for JFCS East Bay for its fiscal year ending June 30, 2022.

### **Note 3 - Liquidity and Availability of Resources:**

Financial assets at year end:

Cash and cash equivalents	\$ 797,232
Investments	1,871,952
Grants and pledges receivable	1,105,711
Contracts and program fees receivable, net	962,953
Beneficial interest funds	147,484

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Total financial assets	4,885,332
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Less amounts not available to be used within one year:

Net assets with donor restrictions – purpose restrictions	(2,661,851)
Beneficial interest funds (board - and donor-restricted endowment)	(147,484)

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Financial assets available to meet general expenditures  
within one year

\$ 2,075,997

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# Jewish Family and Community Services East Bay

## Notes to Financial Statement

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JFCS East Bay strives to maintain financial assets equal to three months of operating expenses, which is approximately \$2,250,000. Although the financial assets available to meet general expenditures within the next year amounts to \$2,075,997, JFCS East Bay has \$2,661,851 (in cash and receivables) that is restricted by donors for use in its programs and will be used for upcoming operating expenses. Additionally, the beneficial interest funds include \$147,484 that have been designated by the board to function as an endowment; however, these designations can be changed by actions of the board. JFCS East Bay has opened up a new line of credit that allows a withdrawal up to \$500,000 as of March 2021.

### Note 4 - Endowment Funds:

The Board of Directors of JFCS East Bay complies with the California enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA).

#### a. Endowment Funds

Certain endowment funds contributed to the **Jewish Community Federation and Endowment Fund** (the Federation) for the benefit of JFCS East Bay are retained at the Federation. The Federation maintains ownership and variance power over these funds. These funds were considered to be donor contributions to the Federation and, accordingly, the value of the assets is not presented on the Statement of Financial Position of JFCS East Bay. The two endowments held at the Federation are valued at approximately \$163,300 as of June 30, 2021.

#### b. Endowment Funds – Beneficial Interest

Both donor-restricted endowments and funds designated by the board of JFCS East Bay to function as an endowment have been transferred to the Federation to be invested and managed with the Federation's investments. These endowment funds are valued at \$147,484 as of June 30, 2021 and include \$30,000 of donor restricted endowment funds. These investment funds were valued using Level 3 measurements. Available distributions from the endowment funds are determined in accordance with the Federation's distribution policy and may be amended from time to time. Any residual net investment income earned is retained for capital growth. The Federation made distributions totaling \$42,339 to JFCS East Bay during the fiscal year 2021.

# Jewish Family and Community Services East Bay

## Notes to Financial Statement

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### Note 5 - Investments:

Investments, stated at fair value, consisted of the following at June 30, 2021:

Money market account	\$	5
Equity securities		300,326
Mutual funds		699,165
Fixed income		872,456
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Total	\$	1,871,952

The above investments were all measured using Level 1 inputs.

### Note 6 - Grants and Pledges Receivable:

Grants and individual pledges receivable were composed of the following amounts at June 30, 2021 and are expected to be collected during fiscal year 2022:

Conference on Jewish Material Claims Against Germany	\$	780,711
Other grants		325,000
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Total	\$	1,105,711

### Note 7 - Contracts and Program Fees Receivable:

Contracts and program fees receivable at June 30, 2021, all of which are expected to be collected in fiscal year 2022 consisted of the following:

Homecare and other client service fees	\$	48,254
Alameda County BHCS		365,730
California Department of Social Services		87,733
Contra Costa County		190,219
Oakland Fund for Children and Youth		66,728
First Five Alameda County Every Child Counts		50,574
City of Oakland		12,675
Family Justice Center		26,617
Other contracts receivable		120,981
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Subtotal		969,511
Less allowance for bad debt		(6,557)
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Total	\$	962,954

# Jewish Family and Community Services East Bay

## Notes to Financial Statement

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### **Note 8 - Note Payable:**

#### *Line of Credit*

JFCS East Bay has a \$500,000 line of credit with a bank, secured by generally all of the assets of JFCS East Bay, with an expiry date of March 5, 2022. The line bears interest at the prime rate. The interest rate at June 30, 2021 was 4.25%. There were no outstanding borrowings at June 30, 2021.

#### *Paycheck Protection Program Loan*

JFCS East Bay obtained a note payable in the amount of \$755,200 under the under the Paycheck Protection Program from the U.S. Small Business Administration. The 2-year note, maturing in April 2022, bears simple interest at 1% per year. The loan and accrued interest are forgivable if the borrower uses the loan proceeds for eligible purposes including payroll, benefits, rent and utilities and maintains payroll levels. JFCS East Bay recognized \$489,719 as a contribution in the year ended June 30, 2020 and the remaining portion of \$265,481 in the year ended June 30, 2021. The recognition of the forgiveness corresponded with JFCS East Bay's determination that the terms for forgiveness had been satisfied. Subsequent to year end, management received notification from the SBA that the remaining amount had been forgiven.

### **Note 9 - Concentrations of Risk:**

Amounts held in financial institutions occasionally are in excess of the Federal Deposit Insurance Corporation and Securities Investor Protection Corporation limits. JFCS East Bay deposits its cash with high quality financial institutions and has never experienced a loss. Management believes JFCS East Bay is not exposed to significant credit risk on those amounts.

JFCS East Bay's investments are subject to various risks, such as interest rate, credit, and overall market volatility risks. Further, because of the significance of the investments to JFCS East Bay's financial position and the level of risk inherent in most investments, it is reasonably possible that changes in the values of these investments could occur in the near term and such changes could materially affect the amounts reported in the financial statements.



# Jewish Family and Community Services East Bay

## Notes to Financial Statement

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### Note 10 - Net Assets with Donor Restrictions:

Net assets with donor restrictions consisted of the following at June 30, 2021:

Purpose restrictions that are temporary in nature:	
Adult services	\$ 1,717,740
Refugee services and immigration services	204,042
Legal services	151,615
Parenting and youth services	171,977
Other program activities	308,912
Art of Living event	7,565
Time restricted	100,000
Endowment funds – perpetual in nature	30,000
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Total net assets with donor restrictions	\$ 2,691,851

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors during the year ended June 30, 2021, as follows:

Adult services	\$ 1,496,338
Refugee services and immigration services	199,323
Legal services	224,921
Parenting and youth services	37,055
Other program activities	392,804
Art of Living event	324,383
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Total net assets with donor restrictions released	\$ 2,674,824

### Note 11 - Retirement Plans:

JFCS East Bay has a defined contribution plan covering employees who have attained age 21 and have at least 1,000 hours of service in the initial 12 months of employment or in any subsequent plan year. Participants may contribute before-tax contributions up to the IRS indexed maximum for a calendar year. Each year, JFCS East Bay provides a matching contribution at its discretion that is allocated in proportion to the employee salary deferrals made during the plan year. The total fiscal year 2021 employer's contribution was \$79,679.

# Jewish Family and Community Services East Bay

## Notes to Financial Statement

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### Note 12 - Operating Leases:

JFCS East Bay has entered into several long-term operating leases for office space and equipment with monthly payments ranging from \$162 to \$23,043. Rent expense totaled \$474,882 for the year ended June 30, 2021. The future minimum rental payments required under these long-term noncancelable leases at June 30, 2021 are approximately as follows:

Year Ending June 30,	
2022	\$ 446,224
2023	277,924
2024	244,564
2025	244,564
2026	40,761
Thereafter	-
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Total	\$ 1,254,037

### Note 13 - Noncompliance with Grantor or Donor Restrictions:

Financial awards from federal, state, and local governmental entities in the form of grants or loans are subject to special audits. Such audits could result in claims against JFCS East Bay for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

### Note 14 - Subsequent Events:

JFCS East Bay has evaluated subsequent events from June 30, 2021 through December 22, 2021, the date these financial statements were available to be issued. Except for the event discussed in Note 8, there were no material subsequent events that required recognition or additional disclosure in these financial statements.

### Note 15 - Impact of COVID-19:

On March 11, 2020, the World Health Organization publicly characterized COVID-19 as a pandemic. Many federal, state and local governmental agencies declared a state of emergency and issued a variety of recommendations impacting travel, group gatherings, etc. JFCS East Bay quickly adapted to the shelter-in-places orders from the Counties in which it operates, including the adoption of telehealth services. JFCS East Bay has seen an increase in the demand for many of the services it offers and has received additional funding through private donations and government awards in response to this demand.