

**JEWISH FAMILY AND CHILDREN'S SERVICE, INC.
AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEARS ENDED SEPTEMBER 30, 2020 AND 2019



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**JEWISH FAMILY AND CHILDREN'S SERVICE, INC.
AND SUBSIDIARIES
TABLE OF CONTENTS
YEARS ENDED SEPTEMBER 30, 2020 AND 2019**

INDEPENDENT AUDITORS' REPORT	1
CONSOLIDATED FINANCIAL STATEMENTS	
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	3
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS	4
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES	6
CONSOLIDATED STATEMENTS OF CASH FLOWS	10
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	11
SUPPLEMENTARY INFORMATION	
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION	32
CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS	33



INDEPENDENT AUDITORS' REPORT

Board of Directors
Jewish Family and Children's Service, Inc.
and Subsidiaries
Phoenix, Arizona

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Jewish Family and Children's Service, Inc. and Subsidiaries, which comprise the consolidated statements of financial position as of September 30, 2020 and 2019, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Board of Directors
Jewish Family and Children's Service, Inc.
and Subsidiaries

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Jewish Family and Children's Service, Inc., as of September 30, 2020 and 2019, and their changes in net assets and their cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis-of-Matter Regarding a Correction of an Error

As discussed in Note 16 to the consolidated financial statements, certain errors resulting in overstatement of amounts previously reported for accounts receivable and government and contracts revenue as of September 30, 2019, were discovered during the current year. Accordingly, amounts reported for accounts receivable and grant and contracts revenue have been restated in the 2019 consolidated financial statements now presented, and an adjustment has been made to net assets as of September 30, 2019, to correct the error. Our opinion is not modified with respect to that matter.

Report on Supplementary Information

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



CliftonLarsonAllen LLP

Phoenix, Arizona
May 18, 2021

JEWISH FAMILY AND CHILDREN'S SERVICE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2020 AND 2019

	2020	2019 (As Restated)
ASSETS		
Cash and Cash Equivalents	\$ 8,979,212	\$ 5,750,511
Certificates of Deposit	6,850,970	2,789,604
Investments Held in Community Foundation	1,169,916	1,137,420
Investment in Joint Ventures	-	641,509
Receivables, Net	4,305,329	4,098,960
Related Party Receivables, Net	-	602,796
Pledges Receivable, Net	788,846	335,313
Prepaid Expenses	503,975	418,921
Other Assets	51,427	51,390
Deposits	969,818	200,653
Property and Equipment, Net	14,809,557	14,774,632
Total Assets	\$ 38,429,050	\$ 30,801,709
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 487,218	\$ 894,067
Accrued Expenses and Other Liabilities	2,454,835	1,559,689
Accrued Compensated Absences	1,146,409	983,715
Recoupment Payable	-	1,500,000
Deferred Revenue	7,286,784	4,165,352
Deferred Rent	2,501,603	496,865
Notes Payable	4,907,544	5,131,018
Total Liabilities	18,784,393	14,730,706
NET ASSETS		
Net Assets Without Donor Restrictions:		
Board-Designated	723,672	711,340
Undesignated	16,415,492	13,123,766
Total Net Assets Without Donor Restrictions	17,139,164	13,835,106
Net Assets With Donor Restrictions	2,505,493	2,235,897
Total Net Assets	19,644,657	16,071,003
Total Liabilities and Net Assets	\$ 38,429,050	\$ 30,801,709

See accompanying Notes to Consolidated Financial Statements.

JEWISH FAMILY AND CHILDREN'S SERVICE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED SEPTEMBER 30, 2020
(WITH COMPARATIVE TOTALS FOR YEAR ENDED SEPTEMBER 30, 2019)

	2020			2019
	Without Donor Restriction	With Donor Restriction	Totals	Totals (As Restated)
SUPPORT, REVENUES, AND OTHER GAINS				
Support:				
Government and Contracts	\$ 39,874,823	\$ -	\$ 39,874,823	\$ 40,618,203
Grants	5,885,902	-	5,885,902	3,805,014
Contributions and In-Kind Donations	1,831,386	1,332,650	3,164,036	3,656,378
Special Events, Net of Direct Benefit to Donors	401,956	-	401,956	420,338
Total Support	<u>47,994,067</u>	<u>1,332,650</u>	<u>49,326,717</u>	<u>48,499,933</u>
Revenues and Other Gains (Losses):				
Client Program Fees	120,607	-	120,607	165,222
Third Party Fees	1,054,690	-	1,054,690	941,168
Management Services	118,551	-	118,551	12,367
Investment Income	2,434,316	20,164	2,454,480	70,124
Equity Gain (Loss) in Joint Ventures	-	-	-	(192,440)
Miscellaneous Income	214,645	-	214,645	867,589
Total Revenues and Other Gains (Losses)	<u>3,942,809</u>	<u>20,164</u>	<u>3,962,973</u>	<u>1,864,030</u>
Net Assets Released from Restrictions	<u>1,083,218</u>	<u>(1,083,218)</u>	<u>-</u>	<u>-</u>
Total Support, Revenues, and Other Gains	53,020,094	269,596	53,289,690	50,363,963
FUNCTIONAL EXPENSES				
Program Services:				
Integrated Health Services	29,542,103	-	29,542,103	31,267,251
Child and Family Solutions	4,648,608	-	4,648,608	5,052,459
Older Adults	743,924	-	743,924	867,290
Jewish Community Services	394,847	-	394,847	360,235
Sojourner Center	4,282,003	-	4,282,003	4,622,722
Total Program Services	<u>39,611,485</u>	<u>-</u>	<u>39,611,485</u>	<u>42,169,957</u>
Supporting Services:				
Management and General	6,871,987	-	6,871,987	6,289,112
Management Services	1,560,191	-	1,560,191	573,846
Fundraising	1,061,401	-	1,061,401	1,672,453
Twenty Thirty Three	610,972	-	610,972	695,967
Total Supporting Services	<u>10,104,551</u>	<u>-</u>	<u>10,104,551</u>	<u>9,231,378</u>
Total Functional Expenses	<u>49,716,036</u>	<u>-</u>	<u>49,716,036</u>	<u>51,401,335</u>
CHANGES IN NET ASSETS	3,304,058	269,596	3,573,654	(1,037,372)
Net Assets - Beginning of Year, As Restated	<u>13,835,106</u>	<u>2,235,897</u>	<u>16,071,003</u>	<u>17,108,375</u>
NET ASSETS - END OF YEAR	<u>\$ 17,139,164</u>	<u>\$ 2,505,493</u>	<u>\$ 19,644,657</u>	<u>\$ 16,071,003</u>

See accompanying Notes to Consolidated Financial Statements.

JEWISH FAMILY AND CHILDREN'S SERVICE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED SEPTEMBER 30, 2019

	2019 (As Restated)		
	Without Donor Restriction	With Donor Restriction	Totals
SUPPORT, REVENUES, AND OTHER GAINS			
Support:			
Government and Contracts	\$ 40,618,203	\$ -	\$ 40,618,203
Grants	3,805,014	-	3,805,014
Contributions and In-Kind Donations	2,259,545	1,396,833	3,656,378
Special Events, Net of Direct Benefit to Donors	420,338	-	420,338
Total Support	<u>47,103,100</u>	<u>1,396,833</u>	<u>48,499,933</u>
Revenues and Other Gains (Losses):			
Client Program Fees	165,222	-	165,222
Third Party Fees	941,168	-	941,168
Management Services	12,367	-	12,367
Investment Income	51,804	18,320	70,124
Equity Gain (Loss) in Joint Ventures	(192,440)	-	(192,440)
Miscellaneous Income	867,589	-	867,589
Total Revenues and Other Gains (Losses)	<u>1,845,710</u>	<u>18,320</u>	<u>1,864,030</u>
Net Assets Released from Restrictions	<u>1,101,588</u>	<u>(1,101,588)</u>	<u>-</u>
Total Support, Revenues, and Other Gains	50,050,398	313,565	50,363,963
FUNCTIONAL EXPENSES			
Program Services:			
Integrated Health Services	31,267,251	-	31,267,251
Child and Family Solutions	5,052,459	-	5,052,459
Older Adults	867,290	-	867,290
Jewish Community Services	360,235	-	360,235
Sojourner Center	4,622,722	-	4,622,722
Total Program Services	<u>42,169,957</u>	<u>-</u>	<u>42,169,957</u>
Supporting Services:			
Management and General	6,289,112	-	6,289,112
Management Services	573,846	-	573,846
Fundraising	1,672,453	-	1,672,453
Twenty Thirty Three	695,967	-	695,967
Total Supporting Services	<u>9,231,378</u>	<u>-</u>	<u>9,231,378</u>
Total Functional Expenses	<u>51,401,335</u>	<u>-</u>	<u>51,401,335</u>
CHANGES IN NET ASSETS	(1,350,937)	313,565	(1,037,372)
Net Assets - Beginning of Year, as Restated	<u>15,186,043</u>	<u>1,922,332</u>	<u>17,108,375</u>
NET ASSETS - END OF YEAR, AS RESTATED	<u>\$ 13,835,106</u>	<u>\$ 2,235,897</u>	<u>\$ 16,071,003</u>

See accompanying Notes to Consolidated Financial Statements.

JEWISH FAMILY AND CHILDREN'S SERVICE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2020
(WITH COMPARATIVE TOTALS FOR YEAR ENDED SEPTEMBER 30, 2019)

	Program Services					Total Program Services
	Integrated Health Services	Child and Family Solutions	Older Adults	Jewish Community Services	Sojourner Center	
EXPENSES						
Salaries	\$ 17,246,462	\$ 3,111,993	\$ 525,075	\$ 269,222	\$ 2,040,464	\$ 23,193,216
Payroll Taxes and Fringe Benefits	3,866,672	760,931	102,906	35,087	442,724	5,208,320
Total Payroll Expenses	<u>21,113,134</u>	<u>3,872,924</u>	<u>627,981</u>	<u>304,309</u>	<u>2,483,188</u>	<u>28,401,536</u>
Professional Fees and Contract Services	4,464,366	87,030	18,993	41,213	168,381	4,779,983
Supplies	245,065	46,369	14,455	846	171,444	478,179
Telephone	534,508	114,915	15,125	5,873	28,205	698,626
Postage, Shipping, and Delivery	27,476	4,616	2,459	181	1,664	36,396
Occupancy	1,727,791	123,058	38,575	977	340,642	2,231,043
Equipment	297,581	13,248	4,346	753	11,350	327,278
Printing and Publications	5,923	158	455	17	890	7,443
Travel	335,413	263,231	16,634	2,376	10,592	628,246
Meeting and Conferences	15,812	3,686	-	120	16,000	35,618
Events	-	-	-	6,572	1,157	7,729
Specific Assistance to Clients	113,121	95,282	875	28,155	16,167	253,600
Membership Dues and Subscriptions	39,339	3,941	613	396	194	44,483
Insurance	139,406	14,871	2,237	1,505	31,263	189,282
In-Kind Expenses	-	-	-	-	647,435	647,435
Depreciation and Amortization	466,899	4,883	703	473	346,773	819,731
Miscellaneous	16,269	396	473	1,081	6,658	24,877
Provision for Doubtful Accounts	-	-	-	-	-	-
Total Nonpayroll Expenses	<u>8,428,969</u>	<u>775,684</u>	<u>115,943</u>	<u>90,538</u>	<u>1,798,815</u>	<u>11,209,949</u>
Total Functional Expenses	29,542,103	4,648,608	743,924	394,847	4,282,003	39,611,485
Less: Expenses Netted Against Revenues on the Statement of Activities:	-	-	-	-	-	-
Total Expenses Included in the Expense Section of the Statement of Activities	<u>\$ 29,542,103</u>	<u>\$ 4,648,608</u>	<u>\$ 743,924</u>	<u>\$ 394,847</u>	<u>\$ 4,282,003</u>	<u>\$ 39,611,485</u>

(Continued)

See accompanying Notes to Consolidated Financial Statements.

JEWISH FAMILY AND CHILDREN'S SERVICE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2020
(WITH COMPARATIVE TOTALS FOR YEAR ENDED SEPTEMBER 30, 2019)

	Supporting Services				Total Supporting Services	Total Functional Expenses	2019 Totals
	Management Services	Management and General	Fundraising	Twenty Thirty Three			
EXPENSES							
Salaries	\$ -	\$ 4,229,730	\$ 717,417	\$ -	\$ 4,947,147	\$ 28,140,363	\$ 30,388,081
Payroll Taxes and Fringe Benefits	-	775,680	115,719	-	891,399	6,099,719	5,954,959
Total Payroll Expenses	-	5,005,410	833,136	-	5,838,546	34,240,082	36,343,040
Professional Fees and Contract Services	117,920	1,030,628	59,480	2,400	1,210,428	5,990,411	5,797,824
Supplies	45	50,639	17,685	-	68,369	546,548	434,469
Telephone	221	89,062	7,961	-	97,244	795,870	644,760
Postage, Shipping, and Delivery	16,269	7,690	4,039	-	27,998	64,394	52,891
Occupancy	20,416	354,893	18,544	39,122	432,975	2,664,018	2,524,459
Equipment	39,711	184,393	3,768	34,067	261,939	589,217	522,623
Printing and Publications	-	5,780	16,828	-	22,608	30,051	132,574
Travel	-	9,396	1,001	-	10,397	638,643	1,225,679
Meeting and Conferences	-	11,708	836	-	12,544	48,162	53,870
Events	-	2,224	104,381	-	106,605	114,334	71,226
Specific Assistance to Clients	-	2,218	134	-	2,352	255,952	159,476
Membership Dues and Subscriptions	-	13,296	1,998	-	15,294	59,777	62,462
Insurance	-	39,179	4,432	47,210	90,821	280,103	276,718
In-Kind Expenses	-	-	-	-	-	647,435	1,174,700
Depreciation and Amortization	-	22,809	9,184	396,748	428,741	1,248,472	1,215,953
Miscellaneous	15,609	42,662	35,396	91,425	185,092	209,969	241,449
Provision for Doubtful Accounts	1,350,000	-	-	-	1,350,000	1,350,000	522,504
Total Nonpayroll Expenses	1,560,191	1,866,577	285,667	610,972	4,323,407	15,533,356	15,113,637
Total Functional Expenses	1,560,191	6,871,987	1,118,803	610,972	10,161,953	49,773,438	51,456,677
Less: Expenses Netted Against Revenues on the Statement of Activities:							
Special Events Expenses	-	-	57,402	-	57,402	57,402	55,342
Total Expenses Included in the Expense Section of the Statement of Activities	\$ 1,560,191	\$ 6,871,987	\$ 1,061,401	\$ 610,972	\$ 10,104,551	\$ 49,716,036	\$ 51,401,335

See accompanying Notes to Consolidated Financial Statements.

JEWISH FAMILY AND CHILDREN'S SERVICE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2019

	Program Services					Total Program Services
	Integrated Health Services	Child and Family Solutions	Older Adults	Jewish Community Services	Sojourner Center	
EXPENSES						
Salaries	\$ 19,414,456	\$ 3,344,802	\$ 583,218	\$ 234,149	\$ 2,008,880	\$ 25,585,505
Payroll Taxes and Fringe Benefits	3,784,777	705,521	98,911	29,941	460,698	5,079,848
Total Payroll Expenses	<u>23,199,233</u>	<u>4,050,323</u>	<u>682,129</u>	<u>264,090</u>	<u>2,469,578</u>	<u>30,665,353</u>
Professional Fees and Contract Services	4,466,485	145,639	35,265	43,911	180,457	4,871,757
Supplies	147,330	34,425	21,970	1,394	198,414	403,533
Telephone	420,035	101,933	16,872	4,320	25,150	568,310
Postage, Shipping, and Delivery	30,434	5,092	3,817	269	164	39,776
Occupancy	1,556,659	108,226	38,011	883	354,492	2,058,271
Equipment	235,733	22,629	8,142	1,068	20,109	287,681
Printing and Publications	9,159	892	3,239	9,007	1,132	23,429
Travel	696,806	434,945	46,936	6,476	25,305	1,210,468
Meeting and Conferences	13,595	11,786	823	164	846	27,214
Events	-	-	-	-	111	111
Specific Assistance to Clients	29,246	100,774	3,883	25,369	-	159,272
Membership Dues and Subscriptions	39,889	7,550	1,134	467	-	49,040
Insurance	126,275	19,575	3,360	1,392	32,671	183,273
In-Kind Expenses	-	-	-	-	885,271	885,271
Depreciation and Amortization	273,386	6,977	1,020	428	420,922	702,733
Miscellaneous	22,986	1,693	689	997	8,100	34,465
Provision for Doubtful Accounts	-	-	-	-	-	-
Total Nonpayroll Expenses	<u>8,068,018</u>	<u>1,002,136</u>	<u>185,161</u>	<u>96,145</u>	<u>2,153,144</u>	<u>11,504,604</u>
Total Functional Expenses	<u>31,267,251</u>	<u>5,052,459</u>	<u>867,290</u>	<u>360,235</u>	<u>4,622,722</u>	<u>42,169,957</u>
Less: Expenses Netted Against Revenues on the Statement of Activities:	-	-	-	-	-	-
Special Events Expenses	-	-	-	-	-	-
Total Expenses Included in the Expense Section of the Statement of Activities	<u>\$ 31,267,251</u>	<u>\$ 5,052,459</u>	<u>\$ 867,290</u>	<u>\$ 360,235</u>	<u>\$ 4,622,722</u>	<u>\$ 42,169,957</u>

(Continued)

See accompanying Notes to Consolidated Financial Statements.

JEWISH FAMILY AND CHILDREN'S SERVICE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2019

	Supporting Services					Total Functional Expenses
	Management Services	Management and General	Fundraising	Twenty Thirty Three	Total Supporting Services	
EXPENSES						
Salaries	\$ -	\$ 3,988,429	\$ 814,147	\$ -	\$ 4,802,576	\$ 30,388,081
Payroll Taxes and Fringe Benefits	(4,060)	743,317	135,854	-	875,111	5,954,959
Total Payroll Expenses	(4,060)	4,731,746	950,001	-	5,677,687	36,343,040
Professional Fees and Contract Services	27,393	739,592	154,782	4,300	926,067	5,797,824
Supplies	120	23,665	7,151	-	30,936	434,469
Telephone	-	65,632	10,818	-	76,450	644,760
Postage, Shipping, and Delivery	975	8,452	3,688	-	13,115	52,891
Occupancy	20,839	343,869	56,048	45,432	466,188	2,524,459
Equipment	(1,224)	182,649	21,529	31,988	234,942	522,623
Printing and Publications	10	7,696	101,439	-	109,145	132,574
Travel	(550)	12,936	2,825	-	15,211	1,225,679
Meeting and Conferences	105	14,540	12,011	-	26,656	53,870
Events	-	-	71,115	-	71,115	71,226
Specific Assistance to Clients	-	-	204	-	204	159,476
Membership Dues and Subscriptions	-	11,425	1,997	-	13,422	62,462
Insurance	-	40,421	5,127	47,897	93,445	276,718
In-Kind Expenses	-	-	289,429	-	289,429	1,174,700
Depreciation and Amortization	1,689	27,963	15,202	468,366	513,220	1,215,953
Miscellaneous	6,045	78,526	24,429	97,984	206,984	241,449
Provision for Doubtful Accounts	522,504	-	-	-	522,504	522,504
Total Nonpayroll Expenses	577,906	1,557,366	777,794	695,967	3,609,033	15,113,637
Total Functional Expenses	573,846	6,289,112	1,727,795	695,967	9,286,720	51,456,677
Less: Expenses Netted Against Revenues on the Statement of Activities	-	-	55,342	-	55,342	55,342
Total Expenses Included in the Expense Section of the Statement of Activities	\$ 573,846	\$ 6,289,112	\$ 1,672,453	\$ 695,967	\$ 9,231,378	\$ 51,401,335

See accompanying Notes to Consolidated Financial Statements.

JEWISH FAMILY AND CHILDREN'S SERVICE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets	\$ 3,573,654	\$ (1,037,372)
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	1,248,472	1,215,953
Provision for Doubtful Accounts	1,350,000	522,504
Equity Loss in Joint Venture	-	192,440
Net Realized and Unrealized (Gains) Losses on Investments	(2,389,764)	19,400
Forgiveness of Notes Payable	(53,937)	(45,808)
Changes in Cash Resulting from Changes in:		
Receivables	(1,556,369)	(2,475,332)
Related Party Receivables	602,796	10,007
Pledges Receivable	(562,486)	140,876
Prepaid Expenses	(85,054)	(34,054)
Other Assets	(37)	-
Deposits	15,062	(26,635)
Accounts Payable	(406,849)	360,492
Accrued Expenses and Other Liabilities	772,300	91,225
Accrued Compensated Absences	162,694	(15,744)
Recoupment Payable	(1,500,000)	-
Deferred Revenue	3,121,432	791,183
Deferred Rent	2,004,738	(16,715)
Net Cash Provided (Used) by Operating Activities	6,296,652	(307,580)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments Held in Community Foundation	(10,531)	(23,727)
Proceeds from Sale of Investments	2,225,081	-
Purchase of Certificates of Deposit	(6,059,124)	(1,293,539)
Redemption of Certificates of Deposit	1,997,758	1,997,758
Purchases of Property and Equipment	(1,160,551)	(1,965,699)
Net Cash Used by Investing Activities	(3,007,367)	(1,285,207)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Capital Campaign Pledges Receivable	108,953	213,907
Repayments of Notes Payable	(169,537)	(194,568)
Net Cash Provided (Used) by Financing Activities	(60,584)	19,339
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,228,701	(1,573,448)
Cash and Cash Equivalents - Beginning of Year	5,750,511	7,323,959
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 8,979,212	\$ 5,750,511
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest Paid	\$ 67,509	\$ 75,663

See accompanying Notes to Consolidated Financial Statements.

JEWISH FAMILY AND CHILDREN'S SERVICE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of Jewish Family and Children's Service, Inc., Twenty Thirty Three, Inc., Child and Family Solutions, LLC, Sojourner Center and JFCS Behavioral Health, LLC's (collectively the Organization) significant accounting policies consistently applied in the preparation of the accompanying consolidated financial statements follows:

Organization

Jewish Family and Children's Service, Inc. (JFCS) was founded in 1936, obtained nonprofit 501(c)(3) status in 1955, and became nonsectarian in 1964. JFCS serves the diverse human service needs of families and individuals of all ages, races, and faiths throughout Maricopa County. The JFCS agency mission is to strengthen the community by offering high quality behavioral health and social services to children, families, and adults of all ages throughout Maricopa County, in accordance with a Jewish value system that cares about all humanity.

JFCS objectives include meeting and exceeding community expectations through a commitment to treat people with dignity and respect and to deliver services in accordance with a value system that cares about all humanity.

Child and Family Solutions, LLC (CFS) is a single member LLC and was founded in 2006.

JFCS Behavioral Health, LLC (BH) is a single member LLC and was founded in 2006.

Twenty Thirty Three, Inc., (TTT) is a nonprofit, nonsectarian organization which acquires land, buildings and equipment and subsequently leases those assets to JFCS under various operating leases.

TTT leases all of its buildings and equipment to JFCS. Various members of the board of directors of TTT are also members of the board of directors of JFCS.

Sojourner Center (SC) is an Arizona nonprofit corporation with a mission to overcome the impact of domestic violence one life at a time. SC was formed in 1977 and has provided safety, shelter, and an array of supportive services to victims of domestic violence for over 35 years. SC not only provides emergency shelter, but also offers extensive and comprehensive programs to help victims of domestic violence rebuild and redirect their lives. These programs provide a continuum of services including prevention and intervention, community education and victim advocacy. SC provides food, clothing, and other basic needs for victims and families; licensed childcare; a 24-hour crisis hotline; support to address career, education, and job advancement; legal advocacy; transitional housing; support groups; and domestic violence dynamics education classes for women and children whose lives have been affected by domestic violence.

The activities of TTT, CFS, SC, and BH have been consolidated with those of JFCS as JFCS exercises control over these entities.

JEWISH FAMILY AND CHILDREN'S SERVICE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of JFCS and its subsidiaries. Inter-organization transactions and balances have been eliminated in the consolidation.

Use of Estimates in the Preparation of Financial Statements

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

Basis of Presentation

The Organization's consolidated financial statements have been prepared in accordance with the Not-For-Profit Industry Guidance within the Financial Accounting Standards Board (FASB) Codification (Guidance). Under the Guidance, the Organization is required to provide consolidated financial statements which are prepared to focus on the Organization as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated investment fund.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

JEWISH FAMILY AND CHILDREN'S SERVICE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets (Continued)

The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities and changes in net assets as net assets released from restrictions.

Cash and Cash Equivalents

The Organization considers all short-term investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents consist of cash held in checking, savings, and money market accounts.

Certificates of Deposit

Certificates of deposit are brokered deposits and those with readily determinable fair values are measured at fair value on the consolidated statement of financial position. Declines in the fair value of certificates of deposit below their cost that are deemed to be other than temporary are reflected as realized losses. Certificates of deposit income or loss (including unrealized and realized gains and losses) on certificates of deposit, and interest are included in net assets without donor restrictions, unless the associated income or loss is restricted.

Receivables

Accounts receivable are stated at net realizable value. Receivables consist primarily of amounts due from various governmental agencies and seven contractors within the Arizona Health Care Costs Containment System (AHCCCS) Complete Care health plans. Receivables are carried at the original invoice amount less an estimated reserve for doubtful receivables based on a review of all outstanding accounts. Management determines the reserve by identifying troubled accounts as well as evaluating receivables and considering a customer's financial condition, credit history, and current economic conditions. Receivables are written off when deemed uncollectible.

Pledges Receivable

Unconditional promises to give (pledges receivable) are recognized as revenues in the period the promise is received and as assets, decreases of liabilities or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Monies received pursuant to conditional promises are reflected as deferred revenue. Unconditional promises to give that are to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates as determined by management that are applicable to the years in which the promises are made. Amortization of the discount is included in contribution support.

JEWISH FAMILY AND CHILDREN'S SERVICE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pledges Receivable (Continued)

Management provides for probable uncollectible amounts through a charge to earnings and an increase to a valuation allowance based on its assessment of the current status of individual pledges. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a reduction of receivables.

Investments

The investments in equity securities with readily determinable fair value are measured at fair value in the consolidated statements of financial position as determined by available market prices. The Organization also has assets held by the Jewish Community Foundation of Greater Phoenix which are recorded at fair value based upon quoted market prices of the underlying assets. Investment income or loss (including unrealized and realized gains and losses on investments, interest, and dividends) is included in net assets without donor restrictions unless the associated income or loss is restricted.

Board Designated Net Assets

As of September 30, 2020 and 2019, included in net assets without donor restrictions is \$723,672 and \$711,340, respectively, a board-designated investment fund held at the Jewish Community Foundation of Greater Phoenix, an unrelated entity.

Property and Equipment

Buildings, leasehold improvements, vehicles, equipment, and furniture are initially recorded at cost, if purchased or at fair value at date of donation if contributed. The Organization's policy is to capitalize assets costing \$1,000 or more and with a useful life of greater than one year. Property and equipment are depreciated using the straight-line method over the following estimated useful lives.

Buildings and Improvements	5 to 35 Years
Furniture, Equipment, and Vehicles	3 to 5 Years
Software	7 Years

Improvements to leased property are amortized over the lesser of the life of the lease or life of the improvements. Amortization expense on assets acquired under capital leases is included with depreciation expense on owned assets.

Gain or loss on sale of assets is calculated by netting the book value of the investment in the capital asset against the consideration received on the asset sold.

JEWISH FAMILY AND CHILDREN'S SERVICE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of Long-Lived Assets

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets.

Equity Investments

The Organization's investments in entities owned 20% or more, but not more than 50%, are accounted for using the equity method of accounting. Investments in entities owned less than 20% are carried at cost.

Contributions and Grants

The Organization recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

At September 30, 2020 and 2019, the Organization had \$-0- conditional contributions that had not been recognized in the accompanying consolidated statement of activities and changes in net assets.

A portion of the Organization's revenue is derived from cost-reimbursable contracts and grants. Amounts received are recognized as earned and are reported as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received but not yet earned are reported as deferred revenue in the statements of financial position.

The Organization records unconditional contributions and grants from governmental agencies as with or without donor restricted support depending on the existence of any donor restrictions. All donor restricted support is reported as an increase in net assets with donor restrictions. When a 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 consolidated statements of activities and changes in net assets as net assets released from restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as net assets without donor restriction.

JEWISH FAMILY AND CHILDREN'S SERVICE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Contract revenue is recognized as encountered under various contracts. The Organization receives block funding in advance of service delivery which is initially recorded as deferred revenue. As service units are performed (encounters) revenue is recognized and unearned revenue is reduced. Any cash received in excess of the amount encountered is reported as deferred revenue. All other revenue is recognized during the period in which services are provided

Deferred Revenue

The Organization recognizes amounts received from contracts and grants as earned when services are rendered under unit of service contracts or as allowable costs are incurred under cost reimbursement contracts. A receivable is recorded to the extent the amount earned exceeds cash advances, less an estimate made for amounts that may be uncollectible, which is determined based on management's judgment and historical experience with the contracting agency. Conversely, a liability (deferred revenue) is recorded when cash advances exceed amounts earned.

Functional Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the consolidated statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The costs are allocated based on salary, professional fees, and square footage percentages.

Income Taxes

Jewish Family and Children's Service, Inc. and Sojourner Center are exempt from federal income taxes under Section 501(c)(3) and Twenty Thirty Three, Inc., is exempt under 501(c)(2) of the Internal Revenue Code (IRC) of 1954 as amended and from state income taxes under ARS 43-1201. In addition, JFCS, SC and TTT have been determined by the Internal Revenue Service (IRS) not to be private foundations within the meaning of Section 509(a). Income determined to be unrelated business taxable income (UBTI) would be taxable. Management believes that JFCS, SC and TTT have no uncertain tax positions as of September 30, 2020 and 2019.

Economic Dependency and Concentration of Credit Risk

The Organization received approximately 57% and 63% of its revenue through seven contractors within the Arizona Health Care Costs Containment System (AHCCCS) Complete Care health plans, during the years ended September 30, 2020 and 2019, respectively. The loss of this revenue source would have a materially adverse effect on the Organization.

Reclassifications

Certain reclassifications have been made in the 2019 consolidated financial statements to conform classifications used in 2020. There was no effect on net assets previously reported.

JEWISH FAMILY AND CHILDREN'S SERVICE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Change in Accounting Principle

The Organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Update No. 2018-08, Accounting Guidance for Contributions Received and Made. The adoption did not impact the Organization's financial position as of September 30, 2020 or 2019, or the changes in its net assets or cash flows for the years then ended.

NOTE 2 LIQUIDITY AND AVAILABILITY

The Organization regularly monitors the availability of resources required to meet its operating needs and other contractual commitments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities to be general expenditures.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	<u>2020</u>	<u>2019</u>
Financial Assets at Year-End:		
Cash and Cash Equivalents	\$ 8,979,212	\$ 5,750,511
Certificates of Deposit, with Current Maturities	2,008,600	1,532,623
Investments Held in Community Foundation	1,169,916	1,137,420
Receivables	4,305,329	4,098,960
Related Party Receivables	-	602,796
Pledge Receivables	<u>788,846</u>	<u>335,313</u>
Total Financial Assets	<u>17,251,903</u>	<u>13,457,623</u>
Less: Amounts not Available to be Used Within One		
Year Board Designated Net Assets Without Donor	(723,672)	(711,340)
Restrictions Net Assets With Donor Restrictions	<u>(2,505,493)</u>	<u>(2,235,897)</u>
Financial Assets Available to Meet Cash Needs for		
General Expenditures Within One Year	<u>\$ 14,022,738</u>	<u>\$ 10,510,386</u>

NOTE 3 CASH AND CASH EQUIVALENTS

Cash as of September 30, 2020 and 2019 consisted of a carrying amount of \$8,979,212 and \$5,750,511, with \$8,396,058 and \$4,872,627 for operations and \$583,153 and \$877,885 being donor restricted, respectively.

JEWISH FAMILY AND CHILDREN'S SERVICE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 4 CERTIFICATES OF DEPOSIT

Certificates of deposit at September 30, 2020 consist of the following:

<u>Maturity Date in Fiscal Year</u>	<u>Cost</u>	<u>Stated Rate</u>
2021	\$ 2,008,600	0.10% to 2.50%
2022	3,589,254	0.20% to 2.25%
2023	1,002,608	0.25% to 0.75%
2024	250,508	0.25%
Total	<u>\$ 6,850,970</u>	

Certificates of deposit at September 30, 2019 consist of the following:

<u>Maturity Date in Fiscal Year</u>	<u>Cost</u>	<u>Stated Rate</u>
2020	\$ 1,532,623	1.90% to 2.20%
2021	1,256,981	2.30% to 2.65%
Total	<u>\$ 2,789,604</u>	

Certificates of deposit are stated at fair value and are brokered to ensure that deposits are not maintained with one financial institution in excess of the FDIC coverage. The Organization plans to hold all certificates of deposit to maturity.

NOTE 5 RECEIVABLES

Receivables consist of the following:

	<u>2020</u>	<u>2019</u>
Department of Child Safety	\$ 501,857	\$ 634,258
AHCCCS Health Plans and Other Commercial Insurance	4,230,311	3,098,486
Maricopa RBHA	718,980	346,304
Department of Public Safety	535,798	420,508
CRS/Other Insurance	145	179,190
Jewish Community Foundation	62,558	71,868
City of Phoenix	89,705	52,631
Area Agency of Aging	-	9,224
Other Receivable	153,062	200,000
Subtotal	<u>6,292,416</u>	<u>5,012,469</u>
Less: Allowance for Doubtful Accounts	<u>(1,987,087)</u>	<u>(913,509)</u>
Total Receivables, Net	<u>\$ 4,305,329</u>	<u>\$ 4,098,960</u>

Interest is not charged on receivables. The allowance for doubtful accounts is based on management's assessment of the account's ability to pay, the presence of a contractual agreement, and other factors. Receivables are considered past due based on contractual terms. Receivables are considered to be past due if any portion of the receivable balance is outstanding for more than 120 days. As of September 30, 2020 and 2019, the amount outstanding over 120 days was \$2,059,602 and \$723,606, respectively.

JEWISH FAMILY AND CHILDREN'S SERVICE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 6 RELATED PARTY RECEIVABLES

Related party receivables consist of the following:

	<u>2020</u>	<u>2019</u>
Topaz, LLC	\$ -	\$ 602,796
Less: Allowance for Doubtful Accounts	-	-
Total Related Party Receivables, Net	<u>\$ -</u>	<u>\$ 602,796</u>

As part of the sale of Topaz, LLC, the \$602,796 receivable was fully remitted to the Organization.

NOTE 7 PLEDGES RECEIVABLE

Pledges receivable consist of the following:

	<u>2020</u>	<u>2019</u>
Pledges Receivable	\$ 795,734	\$ 347,201
Less: Unamortized Discount	(3,399)	(3,399)
Total	<u>792,335</u>	<u>343,802</u>
Less: Allowance for Uncollectible	(3,489)	(8,489)
Pledges Receivable, Net	<u>\$ 788,846</u>	<u>\$ 335,313</u>

Amounts Due in:

Less than One Year	\$ 543,241	\$ 281,801
One to Five Years	<u>252,493</u>	<u>65,400</u>
Total	<u>\$ 795,734</u>	<u>\$ 347,201</u>

The discount rate used to determine the present value of the pledges receivable balance is a rate considered appropriate for the expected repayment term. The discount rate approximates 1.6%.

NOTE 8 INVESTMENTS

Investments in Joint Ventures

Topaz, LLC

JFCS was a 50% owner and managing administrative member in Topaz, LLC (Topaz), a partnership with another nonprofit entity providing information technology services to nonprofit entities. JFCS recognized its share of the equity in the earnings (loss) of Topaz of (\$192,440) for the year ended September 30, 2019. The Topaz investment consisted of an equity balance of \$641,509 at September 30, 2019.

JEWISH FAMILY AND CHILDREN'S SERVICE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 8 INVESTMENTS (CONTINUED)

Investments in Joint Ventures (Continued)

Topaz, LLC (Continued)

On October 14, 2019, JFCS completed the sale of its membership interest in Topaz to NextGen Healthcare, Inc. for \$2,224,456 resulting in a gain of \$1,582,947. In addition, the sale provided for a contingent gain of up to \$1,000,000 that depends on certain conditions being met. During the year, certain conditions were met resulting in the Organization recording an additional gain of \$784,852.

Summary financial information for Topaz, LLC, as of and for the year ended December 31, 2019, is as follows:

	2019 Audited
Assets:	
Cash and Equivalents	\$ 715,014
Accounts Receivable	456,331
Prepaid and Deposits	37,091
Inventory	117,786
Total Current Assets	1,326,222
Equipment, Net of Accumulated Depreciation	2,855,113
Total Assets	\$ 4,181,335
Liabilities	\$ 2,644,050
Partners' Capital	1,537,285
Total Liabilities and Partners' Capital	\$ 4,181,335
Total Revenue	\$ 6,888,276
Total Expenses	7,368,331
Net Earnings (Loss)	\$ (480,055)

Jewish Community Foundation of Greater Phoenix

JFCS also has funds on deposit at the Jewish Community Foundation of Greater Phoenix. The investments totaled \$1,169,916 and \$1,137,420 as of September 30, 2020 and 2019, respectively. JFCS recognized unrealized gains on the investment of \$32,496 and \$31,418 for the years ended September 30, 2020 and 2019, respectively, and \$63,100 and \$75,067 in interest income included in investment income for the years ended September 30, 2020 and 2019, respectively.

Other Assets

JFCS has three other investments carried at cost which totaled \$51,427 and \$51,390 at September 30, 2020 and 2019, respectively.

JEWISH FAMILY AND CHILDREN'S SERVICE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 9 FAIR VALUE OF FINANCIAL INSTRUMENTS

FASB Accounting Standards Codification (ASC) 820, *Fair Value Measurement and Disclosures*, provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

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

Level 2 – Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models and similar techniques not based on assumptions that market participants would use in pricing an asset or liability.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for instruments measured at fair value and their classification in the valuation hierarchy.

Certificates of Deposit

Certificates of deposit are generally valued at the most recent price of the equivalent quoted yield for such securities, or those of comparable maturity, quality, and type. Certificates of Deposit are generally classified within Level 2 of the valuation hierarchy. Certificates of deposit are held to maturity, with various maturity dates through September 30, 2024 and earn various stated rates ranging from 0.10% to 2.25%.

JEWISH FAMILY AND CHILDREN'S SERVICE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 9 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Investments Held by Jewish Community Foundation of Greater Phoenix

The Organization's investments held by Jewish Community Foundation of Greater Phoenix primarily consist of State of Israel bonds, corporate and governmental debt securities, and equity securities, which are held primarily at stock brokerage firms. The fair value on these investments, held by Jewish Community Foundation of Greater Phoenix, is determined as follows. Mutual funds are valued at publicly quoted net asset value. Equity and debt securities listed on a national market or exchange are valued at the last sales price, or if there is no sale and the markets are still considered active at the last transaction price before year-end. The State of Israel bonds are valued at face value, which approximates fair value. The amount recorded on the consolidated statements of financial position reflects the Organization's contributions plus (minus) the Organization's allocated share of the investment return on the entire pool of investments. This investment is classified within Level 3 of the valuation hierarchy.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in valuation methodologies used at September 30, 2020 and 2019.

The following table sets forth by level, within the fair value hierarchy, the Organization's fair value as of September 30:

	2020			
	Level 1	Level 2	Level 3	Total
Investment Held by Jewish Community Foundation of Greater Phoenix	\$ -	\$ -	\$ 1,169,916	\$ 1,169,916
Certificates of Deposit	-	6,850,970	-	6,850,970
Total Assets Held at Fair Value	<u>\$ -</u>	<u>\$ 6,850,970</u>	<u>\$ 1,169,916</u>	<u>\$ 8,020,886</u>
	2019			
	Level 1	Level 2	Level 3	Total
Investment Held by Jewish Community Foundation of Greater Phoenix	\$ -	\$ -	\$ 1,137,420	\$ 1,137,420
Certificates of Deposit	-	2,789,604	-	2,789,604
Total Assets Held at Fair Value	<u>\$ -</u>	<u>\$ 2,789,604</u>	<u>\$ 1,137,420</u>	<u>\$ 3,927,024</u>

JEWISH FAMILY AND CHILDREN'S SERVICE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 9 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The following is a reconciliation of beginning and ending balances of assets measured at fair value on a reoccurring basis using significant unobservable (Level 3) inputs during the years ended September 30:

	<u>2020</u>	<u>2019</u>
Balance - Beginning of Year	\$ 1,137,420	\$ 1,133,093
Additions	10,531	23,727
Grants	(39,601)	-
Total Unrealized Gains (Losses), Included in the Changes in Net Assets	<u>61,566</u>	<u>(19,400)</u>
Balance - End of Year	<u><u>\$ 1,169,916</u></u>	<u><u>\$ 1,137,420</u></u>

The following table describes the valuation techniques used to calculate fair market value for assets in Level 3:

<u>Quantitative Information about Level 3 Fair Value Measurements</u>				
	Fair Value at September 30, 2020	Fair Value at September 30, 2019	Valuation Techniques	Unobservable Inputs
Jewish Community Foundation of Greater Phoenix	\$ 1,169,916	\$ 1,137,420	Percentage ownership of investment pool	The percentage ownership investment pool as applied to investment statements

JFCS evaluates Level 2 and Level 3 investments for events and changes in circumstances that indicate a transfer into or transfer out of Level 3. JFCS recognizes the transfers into and out of Level 3 as of the date of the event or change in circumstance. During the years ended September 30, 2020 and 2019, there were no transfers into or out of the Level 3 category. JFCS has no funding commitments to the Jewish Community Foundation of Greater Phoenix.

JEWISH FAMILY AND CHILDREN'S SERVICE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 10 PROPERTY AND EQUIPMENT

Property and equipment owned by the Organization consist of the following:

	<u>2020</u>	<u>2019</u>
Land	\$ 1,306,154	\$ 1,306,154
Building and Improvements	16,069,225	15,870,547
Furniture and Equipment	4,519,511	4,252,206
Computer Software	615,855	615,855
Leasehold Improvements	2,693,086	717,025
Construction in Process	<u>326,634</u>	<u>1,495,918</u>
Total	25,530,465	24,257,705
Less: Accumulated Depreciation and Amortization	<u>(10,720,908)</u>	<u>(9,483,073)</u>
Property and Equipment, Net	<u>\$ 14,809,557</u>	<u>\$ 14,774,632</u>

Depreciation and amortization expense charged to operations was \$1,248,472 and \$1,215,953 for the years ended September 30, 2020 and 2019, respectively. There was no interest capitalized in either 2020 or 2019 due to its immateriality.

NOTE 11 LINE OF CREDIT

The Organization has a revolving line of credit for \$1,000,000 from a bank with no balance outstanding as of September 30, 2020 or 2019. The line of credit is unsecured and has interest that is payable monthly at one month LIBOR plus 3% (5.27% and 4.01%) as of September 30, 2020 and 2019, respectively.

The line of credit has covenants requiring the Organization to maintain certain financial ratios and liquidity. At September 30, 2020 and 2019, management believes the Organization was in compliance with these covenants. In January 2021, the line of credit was closed.

NOTE 12 DEFERRED REVENUE

For the years ended September 30, 2020 and 2019, the total block payments the Organization received from Mercy Maricopa Integrated Care for adult and children behavioral health services, exceeded the amount earned in the amount of \$2,880,481 and \$2,034,071, respectively.

The amount of recoupment due Mercy Maricopa Integrated Care was \$-0- and \$1,500,000 as of September 30, 2020 and 2019, respectively.

Remaining deferred revenue for the years ended September 30, 2020 and 2019 was \$4,406,303 and \$2,131,281, respectively, were mainly due to the payments for the targeted investment programs.

JEWISH FAMILY AND CHILDREN'S SERVICE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 13 NOTES PAYABLE

<u>Description</u>	<u>2020</u>	<u>2019</u>
Note payable, secured by inventory, equipment and accounts receivable of the Organization, payable in equal monthly installments of \$13,091, bearing interest at a fixed rate of 3.15%, until final payment at maturity of \$1,356,246 on August 31, 2025.	\$ 1,861,973	\$ 1,957,758
Note payable, secured by equipment of the Organization, payable in equal monthly installments of \$6,500, bearing interest at a fixed rate of 2.5%, until final payment at maturity on December 31, 2021.	96,232	169,984
The Organization obtained a Community Development Block Grant (CDBG) construction loan in April 2004, from the City of Phoenix to expand the Sojourner facility. The loan, in the amount of \$1,000,000, is secured by a deed of trust and is noninterest bearing. The entire unpaid balance is due on the later of the expiration of the period of affordability or 35 years. If the Organization is not in default under the loan agreement, the Organization shall receive an annual credit against the principal amount due that commenced in July 2018 in an amount equal to four percent of the original principal loan amount.	910,000	950,000
In December 2008, the Organization obtained another CDBG construction loan from the City of Phoenix to further expand its facility. The loan, in the amount of \$1,500,000, is secured by a deed of trust and is noninterest bearing. If the Organization is not in default under the loan agreement, the Organization shall receive a credit against the principal amount due on the 40th anniversary of the Certificate of Completion of the facility expansion.	1,500,000	1,500,000

JEWISH FAMILY AND CHILDREN'S SERVICE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 13 NOTES PAYABLE (CONTINUED)

<u>Description</u>	<u>2020</u>	<u>2019</u>
In July 2005, the Organization obtained a \$489,394 note payable with the Arizona Department of Housing. The note is secured by a deed of trust, bears a zero percent interest rate, and is forgivable at the end of a 20-year period. The loan is to be used for transitional housing.	\$ 489,394	\$ 489,394
In October 2012, the Organization obtained another CDBG construction loan from the City of Phoenix. The loan, in the amount of \$69,690, is secured by a deed of trust and is noninterest bearing. If the Organization is not in default under the loan agreement, the Organization shall receive an annual credit against the principal amount due commencing in May 2019 in an amount equal to twenty percent of the original principal loan amount.		
	49,945	63,882
Total	<u>\$ 4,907,544</u>	<u>\$ 5,131,018</u>

Interest expense on the notes payable was \$67,509 and \$75,663 for the years ended September 30, 2020 and 2019, respectively, and is included in management and general in the accompanying consolidated statements of activities and changes in net assets.

As of September 30, 2020, the approximate aggregate maturities required on the note payable are as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2021	\$ 230,455
2022	176,934
2023	160,477
2024	163,882
2025	1,496,142
Thereafter	2,679,654
Total	<u>\$ 4,907,544</u>

JEWISH FAMILY AND CHILDREN'S SERVICE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 14 OPERATING LEASES

The Organization leases various facilities and equipment under operating leases expiring after 2020. Total lease expense was \$1,127,582 and \$2,726,532 for the years ended September 30, 2020 and 2019, respectively.

Future minimum payments under these noncancelable operating lease commitments are as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2021	\$ 1,471,821
2022	1,209,960
2023	971,610
2024	996,330
2025	1,021,050
Thereafter	7,011,140
Total	<u>\$ 12,681,911</u>

NOTE 15 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restriction are available as follows:

	<u>2020</u>	<u>2019</u>
Pledge Receivable	\$ 795,734	\$ 347,201
Endowment	295,502	276,313
Purpose Restricted:		
Program Services	977,365	781,821
Sojourner Center	436,892	830,562
Total Temporarily Restricted Net Assets	<u>\$ 2,505,493</u>	<u>\$ 2,235,897</u>

A summary of the net assets released from restriction are as follows:

	<u>2020</u>	<u>2019</u>
Time Restricted	\$ 92,067	\$ 81,674
Client Assistance	-	64,931
Program Services	460,842	421,097
Sojourner Center	530,309	533,886
Total	<u>\$ 1,083,218</u>	<u>\$ 1,101,588</u>

JEWISH FAMILY AND CHILDREN'S SERVICE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 16 RESTATEMENT

During the year ended September 30, 2020, the Organization determined that the accounts receivable balances at September 30, 2019 included certain errors resulting from internal reporting mechanisms failing to accurately reflect the billings submitted, resulting in an overstatement of \$770,465. The correction of the error resulted in a restatement of net assets as of September 30, 2019.

The result of the restatement and reclassifications are shown below:

	2019 Balances as Previously Stated	Cumulative Effect Correction of an Error	2019 Balances As Restated
Receivables, Net	\$ 4,869,425	\$ (770,465)	\$ 4,098,960
Ending Net Assets	16,841,468	(770,465)	16,071,003

In addition, management modified the presentation of revenues on the statement of activities and changes in net assets

	2019 Balances as Previously Stated	Reclassifications	2019 Balances
Government and Contracts Revenue	\$ 44,149,891	\$ (3,531,688)	\$ 40,618,203
Grants	-	3,805,014	3,805,014
Contributions	4,700,169	(1,043,791)	3,656,378
Revenue Correction	-	770,465	-

NOTE 17 RETIREMENT PLAN

The Organization has a Section 401(k) plan and a Section 403(b) plan under the IRC. Both plans have two contribution components: (1) a salary reduction arrangement plan, and (2) employer's qualified nonelective plan.

Under the salary reduction arrangement, employees may allocate a portion of their compensation in accordance with the IRC. The employer may at its discretion contribute a matching amount. In order to participate, employees must be at least 18 years of age to make salary reduction contributions to this plan. There is no minimum service requirement to make salary reduction contributions to the plan. An employee is automatically enrolled into the plan on the first of the month subsequent to the employee's date of hire.

JEWISH FAMILY AND CHILDREN'S SERVICE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 17 RETIREMENT PLAN (CONTINUED)

To receive employer matching contributions, an employee must be at least 18 years of age and have completed at least one year of service and has worked a minimum of 1,000 hours. During the years ended September 30, 2020 and 2019, the Organization contributed \$0.50 for each \$1.00 of eligible contributions deferred from the employees' annual salary. A participant's "eligible contributions" equal the amount of the participant's elective deferrals for the plan year up to 6%. The total contribution expense was \$482,050 and \$471,827 for the years ended September 30, 2020 and 2019, respectively. Of those total contributions, the 403(b) Plan total contribution expense was \$91,308 and \$87,661 and the 401(k) Plan total contribution expense was \$390,742 and \$384,166 for the years ended September 30, 2020 and 2019, respectively.

Under the employer's qualified nonelective portion, the employer may contribute to the plan at its discretion. The employee does not contribute to this portion of the plan. To become a participant, an employee must complete one year of service and attain age 18. The total contribution expense for this qualified nonelective portion was \$-0- for the years ended September 30, 2020 and 2019.

NOTE 18 ADVERTISING

The Organization uses advertising to promote its community programs and recruit employees. Advertising costs are expensed as incurred. Advertising expense totaled \$9,918 and \$15,835 for the years ended September 30, 2020 and 2019, respectively.

NOTE 19 COMMITMENT AND CONTINGENT LIABILITIES

The Organization has a partially self-insured health benefit program covering medical and prescription claims. The plan includes a stop-loss provision that insures claims exceeding \$110,000 for the years ended September 30, 2020 and 2019.

The Plan offers health benefits to regular, full-time employees working 30 or more hours per week and their beneficiaries and covered dependents once a 60-day waiting period is met. The cost of health care services is recognized as a deduction in the period in which it is provided to participants. Liabilities for health claims incurred but not reported are estimated based on historical claims and industry trends.

JEWISH FAMILY AND CHILDREN'S SERVICE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 19 COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)

The Organization participates in a number of federal and state-assisted grant and contract programs which are subject to financial and compliance audits. The audits of these programs for, or including, the year ended September 30, 2020, have not been accepted. Accordingly, the Organization's compliance with applicable grant or contract requirements may be established at some future date. The amount, if any, of expenditures or fees for units of service which may be disallowed by the granting or contracting agencies cannot be determined at this time, although the Organization's management expects such amounts, if any, to be immaterial.

The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Organization, COVID-19 may impact various parts of its 2021 operations and financial results. Management believes the Organization is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

In the opinion of management, the Organization was not involved, as of September 30, 2020, in any pending or threatened claims/litigation that could materially affect the Organization's financial position and changes in net assets.

NOTE 20 ENDOWMENT

A fund was established in 2018 with insurance policies with cash surrender values from the Lane Foundation, of which \$273,107 was to be used to establish an endowment. The endowment was \$295,502 and \$276,313 for the years ended September 30, 2020 and 2019, respectively. The Organization has interpreted the Arizona Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions to be held in perpetuity (a) the original value of gifts donated to the Endowment, (b) the original value of subsequent gifts donated to the Endowment, and (c) accumulations to the Endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. The remaining portion of the donor-restricted endowment is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

JEWISH FAMILY AND CHILDREN'S SERVICE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 21 CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash. The Organization places its cash with high-credit quality financial institutions and generally limits the amount of credit exposure to the amount in excess of the Federal Deposit Insurance Corporation (FDIC) insurance coverage limit of \$250,000. At various times throughout the year, the Organization's cash balances will exceed the federally insured limits. Management believes there are no unusual risks associated with current depository institutions.

NOTE 22 SUBSEQUENT EVENTS

Management evaluated subsequent events through May 18, 2021, the date the consolidated financial statements were available to be issued. Events or transactions occurring after September 30, 2020, but prior to May 18, 2021, that provided additional evidence about conditions that existed at September 30, 2020, have been recognized in the consolidated financial statements for the year ended September 30, 2020. Events or transactions that provided evidence about conditions that did not exist at September 30, 2020, but arose before the consolidated financial statements were available to be issued, have not been recognized in the consolidated financial statements for the year ended September 30, 2020.

NOTE 23 NEW ACCOUNTING STANDARDS

In February 2016, the FASB issued amended guidance for the treatment of leases. The guidance requires lessees to recognize a right-of-use asset and a corresponding lease liability for all operating and finance leases with lease terms greater than one year. The guidance also requires both qualitative and quantitative disclosures regarding the nature of the entity's leasing activities. The guidance will initially be applied using a modified retrospective approach. The amendments in the guidance are effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. Management is evaluating the impact of the amended lease guidance on the entity's consolidated financial statements.

In May 2014, the FASB issued amended guidance to clarify the principles for recognizing revenue from contracts with customers. The guidance requires the Organization to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those goods or services. The guidance also requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. Additionally, qualitative, and quantitative disclosures are required regarding customer contracts, significant judgments and changes in judgments, and assets recognized from the costs to obtain or fulfill a contract. The guidance will initially be applied retrospectively using one of two methods. The standard will be effective for the Organization for the year ending September 30, 2021; however, early application is permitted.

JEWISH FAMILY AND CHILDREN'S SERVICE, INC. AND SUBSIDIARIES
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

	Jewish Family and Children's Service, Inc.	Sojourner Center	Twenty Thirty Three, Inc.	Eliminating Entries	Jewish Family and Children's Service, Inc. and Subsidiaries
ASSETS					
Cash and Cash Equivalents	\$ 7,475,743	\$ 517,103	\$ 986,366	\$ -	\$ 8,979,212
Certificates of Deposit	6,850,970	-	-	-	6,850,970
Investments Held in Community Foundation	1,169,916	-	-	-	1,169,916
Investments in Subsidiaries	7,075,749	-	-	(7,075,749)	-
Receivables, Net	3,552,097	753,991	(759)	-	4,305,329
Related Party Receivables, Net	1,753,644	-	6,023	(1,759,667)	-
Pledges Receivable, Net	788,846	-	-	-	788,846
Prepaid Expenses	458,733	45,242	-	-	503,975
Other Assets	29,926	21,501	-	-	51,427
Deposits	965,551	3,999	268	-	969,818
Property and Equipment, Net	2,797,574	8,712,676	3,299,307	-	14,809,557
	<u>\$ 32,918,749</u>	<u>\$ 10,054,512</u>	<u>\$ 4,291,205</u>	<u>\$ (8,835,416)</u>	<u>\$ 38,429,050</u>
LIABILITIES AND NET ASSETS					
LIABILITIES					
Accounts Payable	\$ 413,453	\$ 710,798	\$ 3,905	\$ (640,938)	\$ 487,218
Accrued Expenses and Other Liabilities	2,257,762	183,389	13,684	-	2,454,835
Accrued Compensated Absences	1,064,093	82,316	-	-	1,146,409
Deferred Revenue	7,037,181	249,603	-	-	7,286,784
Deferred Rent	2,501,603	-	-	-	2,501,603
Notes Payable	-	2,949,339	3,076,934	(1,118,729)	4,907,544
Total Liabilities	<u>13,274,092</u>	<u>4,175,445</u>	<u>3,094,523</u>	<u>(1,759,667)</u>	<u>18,784,393</u>
NET ASSETS					
Net Assets Without Donor Restrictions:					
Board-Designated	723,672	-	-	-	723,672
Undesignated	16,415,492	5,442,175	1,196,682	(6,638,857)	16,415,492
Total Net Assets Without Donor Restrictions	<u>17,139,164</u>	<u>5,442,175</u>	<u>1,196,682</u>	<u>(6,638,857)</u>	<u>17,139,164</u>
Net Assets With Donor Restrictions	<u>2,505,493</u>	<u>436,892</u>	<u>-</u>	<u>(436,892)</u>	<u>2,505,493</u>
Total Net Assets	<u>19,644,657</u>	<u>5,879,067</u>	<u>1,196,682</u>	<u>(7,075,749)</u>	<u>19,644,657</u>
Total Liabilities and Net Assets	<u>\$ 32,918,749</u>	<u>\$ 10,054,512</u>	<u>\$ 4,291,205</u>	<u>\$ (8,835,416)</u>	<u>\$ 38,429,050</u>

JEWISH FAMILY AND CHILDREN'S SERVICE, INC. AND SUBSIDIARIES
CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

	Jewish Family and Children's Service, Inc.	Sojourner Center	Twenty Thirty Three, Inc.	Eliminating Entries	Jewish Family and Children's Service, Inc. and Subsidiaries
SUPPORT, REVENUES, AND OTHER GRANTS					
Support:					
Government and Contracts	\$ 39,743,743	\$ 131,080	\$ -	\$ -	\$ 39,874,823
Grants	3,014,647	2,871,255	-	-	5,885,902
Contributions and In-Kind Donations	1,311,082	1,852,954	-	-	3,164,036
Special Events, Net of Direct Benefit to Donors	372,200	29,756	-	-	401,956
Total Support	<u>44,441,672</u>	<u>4,885,045</u>	<u>-</u>	<u>-</u>	<u>49,326,717</u>
Revenues and Other Gains (Losses):					
Client Program Fees	120,607	-	-	-	120,607
Third-Party Fees	1,054,690	-	-	-	1,054,690
Management Services	283,259	-	795,637	(960,345)	118,551
Investment Income	2,454,275	76	129	-	2,454,480
Investment Income (Loss) in Subsidiary	(501,075)	-	-	501,075	-
Miscellaneous Income	32,321	182,324	-	-	214,645
Total Revenue and Other Gains	<u>3,444,077</u>	<u>182,400</u>	<u>795,766</u>	<u>(459,270)</u>	<u>3,962,973</u>
Total Support, Revenues, and Other Gains	<u>47,885,749</u>	<u>5,067,445</u>	<u>795,766</u>	<u>(459,270)</u>	<u>53,289,690</u>
FUNCTIONAL EXPENSES					
Program Services:					
Integrated Health Services	30,108,439	-	-	(566,336)	29,542,103
Child and Family Solutions	4,796,669	-	-	(148,061)	4,648,608
Older Adults	763,924	-	-	(20,000)	743,924
Jewish Community Services	406,384	-	-	(11,537)	394,847
Sojourner Center	-	4,282,003	-	-	4,282,003
Total Program Services	<u>36,075,416</u>	<u>4,282,003</u>	<u>-</u>	<u>(745,934)</u>	<u>39,611,485</u>
Supporting Services:					
Management and General	6,041,646	864,901	-	(34,560)	6,871,987
Management Services	1,560,191	-	-	-	1,560,191
Fundraising	634,842	433,043	-	(6,484)	1,061,401
Twenty Thirty Three	-	-	784,339	(173,367)	610,972
Total Supporting Services	<u>8,236,679</u>	<u>1,297,944</u>	<u>784,339</u>	<u>(214,411)</u>	<u>10,104,551</u>
Total Functional Expenses	<u>44,312,095</u>	<u>5,579,947</u>	<u>784,339</u>	<u>(960,345)</u>	<u>49,716,036</u>
CHANGES IN NET ASSETS	3,573,654	(512,502)	11,427	501,075	3,573,654
Net Assets - Beginning of Year, As Restated	<u>16,071,003</u>	<u>6,391,569</u>	<u>1,185,255</u>	<u>(7,576,824)</u>	<u>16,071,003</u>
NET ASSETS - END OF YEAR	<u>\$ 19,644,657</u>	<u>\$ 5,879,067</u>	<u>\$ 1,196,682</u>	<u>\$ (7,075,749)</u>	<u>\$ 19,644,657</u>

