Dr. Stanley and Pearl Goodman JFS of Broward County, Inc. and Affiliates

Consolidated Financial Statements
June 30, 2021 and 2020

DR. STANLEY AND PEARL GOODMAN JFS OF
BROWARD COUNTY, INC. AND AFFILIATES

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Independent Auditor's Report

To the Board of Directors of
Dr. Stanley and Pearl Goodman JFS of
Broward County, Inc. and Affiliates

Opinion

We have audited the consolidated financial statements of Dr. Stanley and Pearl Goodman JFS of Broward County, Inc. and Affiliates (collectively the "Organization"), a Florida non-profit organization, which comprise the consolidated statement of financial position as of June 30, 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

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

Basis for Opinion

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

Other Matter – Prior Year Consolidated Financial Statements

The consolidated financial statements of the Organization as of and for the year ended June 30, 2020 were audited by Morrison, Brown, Argiz & Farra, LLC ("MBAF"), whose partners and professional staff joined BDO USA, LLP as of January 16, 2021, and has subsequently ceased operations. MBAF expressed an unmodified opinion on those statements in their report dated January 27, 2021.

Responsibilities of Management 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, and for 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.

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

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

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

BDO USA, LLP

Certified Public Accountants

Boca Raton, Florida
January 18, 2022

DR. STANLEY AND PEARL GOODMAN JFS OF BROWARD COUNTY, INC. AND AFFILIATES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30,

ASSETS	**2021**	**2020**
Cash and cash equivalents	$ 6,040,287	$ 6,717,476
Investments at fair value	16,886,261	10,222,114
Receivables:		
Grants and other receivables	507,962	322,321
Program service receivables	430,715	617,790
Pledges receivable, net	187,484	928,165
Prepaid expenses and other assets	469,264	540,655
Property and equipment, net	406,983	513,514
TOTAL ASSETS	**$ 24,928,956**	**$ 19,862,035**
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	$ 1,963,416	$ 1,616,192
Paycheck Protection Program loan	-	2,341,100
Deferred revenue	296,033	656,561
TOTAL LIABILITIES	2,259,449	4,613,853
COMMITMENTS AND CONTINGENCIES (NOTES 3, 10, 12, 13, 15 & 17)		
NET ASSETS		
Without donor restrictions	15,890,927	9,760,071
With donor restrictions	6,778,580	5,488,111
TOTAL NET ASSETS	22,669,507	15,248,182
TOTAL LIABILITIES AND NET ASSETS	**$ 24,928,956**	**$ 19,862,035**

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

DR. STANLEY AND PEARL GOODMAN JFS OF BROWARD COUNTY, INC. AND AFFILIATES

CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30,

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT						
Claims Conference grants	$ 21,788,311	$ -	$ 21,788,311	$20,152,219	$ -	$ 20,152,219
United Jewish Community of Broward County, Inc. allocation	582,500	-	582,500	582,500	-	582,500
United Jewish Community of Broward other grants and contributions	639,232		639,232	218,500	-	218,500
Other grants	522,982	-	522,982	619,758	-	619,758
Program service fees	2,418,266	-	2,418,266	2,476,408	-	2,476,408
Public support and other (includes in-kind support of $412,350 and $447,382, respectively)	2,864,545	282,699	3,147,244	2,081,851	305,599	2,387,450
Special events, net of expenses of $144,587 for year ended June 30, 2020	-	-	-	143,642	-	143,642
Investment income, net	1,303,569	1,065,590	2,369,159	151,555	132,821	284,376
Net assets released from restrictions	57,820	(57,820)	-	14,376	(14,376)	-
TOTAL REVENUES AND OTHER SUPPORT	30,177,225	1,290,469	31,467,694	26,440,809	424,044	26,864,853
EXPENSES						
Program services	23,849,926	-	23,849,926	21,851,401	-	21,851,401
Supporting services						
Management and general	2,113,835	-	2,113,835	1,946,479	-	1,946,479
Fundraising	423,708	-	423,708	423,818	-	423,818
TOTAL EXPENSES	26,387,469	-	26,387,469	24,221,698	-	24,221,698
NON- OPERATING CHANGES IN NET ASSETS						
Paycheck Protection Program loan forgiveness	2,341,100	-	2,341,100	-	-	-
TOTAL NON- OPERATING CHANGES IN NET ASSETS	2,341,100	-	2,341,100	-	-	-
CHANGE IN NET ASSETS	6,130,856	1,290,469	7,421,325	2,219,111	424,044	2,643,155
NET ASSETS AT BEGINNING OF YEAR	9,760,071	5,488,111	15,248,182	7,540,960	5,064,067	12,605,027
NET ASSETS AT END OF YEAR	**$ 15,890,927**	**$ 6,778,580**	**$ 22,669,507**	**$ 9,760,071**	**$5,488,111**	**$ 15,248,182**

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

DR. STANLEY AND PEARL GOODMAN JFS OF BROWARD COUNTY, INC. AND AFFILIATES

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

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	Total Supporting Services	Total Expenses
Salaries	$ 13,031,028	$ 1,211,419	$ 324,753	$ 1,536,172	$ 14,567,200
Employee benefits and related costs	2,168,461	245,442	38,647	284,089	2,452,550
Direct assistance to Claims Conference clients	3,817,751	-	-	-	3,817,751
Direct assistance to other program clients	2,359,761	-	-	-	2,359,761
Rent - premises	257,018	37,358	8,571	45,929	302,947
Insurance	241,056	27,005	3,801	30,806	271,862
Advertising and marketing	169,072	67,274	-	67,274	236,346
Printing	19,665	8,590	2,704	11,294	30,959
Conferences, meetings and training	3,697	265	2,937	3,202	6,899
Dues and subscriptions	53,158	24,770	-	24,770	77,928
Contract services	436,304	4,513	30,519	35,032	471,336
Professional fees	202,933	259,884	3,290	263,174	466,107
Office	279,769	77,517	81	77,598	357,367
Travel and automobile	30,125	2,660	540	3,200	33,325
Postage and delivery	25,119	2,623	1,468	4,091	29,210
Telephone and internet	84,211	10,012	-	10,012	94,223
In-kind expenses	412,350	-	-	-	412,350
Depreciation and amortization	45,929	72,011	-	72,011	117,940
Interest expense	-	15,130	-	15,130	15,130
Other	212,519	47,362	6,397	53,759	266,278
Total functional expenses	**$ 23,849,926**	**$ 2,113,835**	**$ 423,708**	**$ 2,537,543**	**$26,387,469**

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

DR. STANLEY AND PEARL GOODMAN JFS OF BROWARD COUNTY, INC. AND AFFILIATES

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

		Supporting Services			
	Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses
Salaries	$ 12,374,504	$ 1,240,865	$ 289,763	$ 1,530,628	$ 13,905,132
Employee benefits and related costs	1,916,198	202,712	57,738	260,450	2,176,648
Direct assistance to Claims Conference clients	3,088,650	-	-	-	3,088,650
Direct assistance to other program clients	1,819,870	-	-	-	1,819,870
Rent - premises	265,177	46,543	15,307	61,850	327,027
Insurance	125,486	68,915	440	69,355	194,841
Advertising and marketing	150,733	5,634	13,678	19,312	170,045
Printing	17,588	3,116	1,348	4,464	22,052
Conferences, meetings and training	31,841	2,791	575	3,366	35,207
Dues and subscriptions	54,874	7,174	4,361	11,535	66,409
Contract services	476,211	-	-	-	476,211
Professional fees	310,091	172,248	24,320	196,568	506,659
Office	343,379	40,927	9,517	50,444	393,823
Travel and automobile	110,431	10,077	2,299	12,376	122,807
Postage and delivery	22,023	2,405	1,240	3,645	25,668
Telephone and internet	77,315	10,615	2,779	13,394	90,709
In-kind expenses	447,382	-	-	-	447,382
Depreciation and amortization	40,439	94,392	-	94,392	134,831
Interest expense	-	14,431	-	14,431	14,431
Other	179,209	23,634	453	24,087	203,296
Total functional expenses	**$ 21,851,401**	**$ 1,946,479**	**$ 423,818**	**$ 2,370,297**	**$24,221,698**

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

DR. STANLEY AND PEARL GOODMAN JFS OF BROWARD COUNTY, INC. AND AFFILIATES

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

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 7,421,325	$ 2,643,155
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	117,940	134,831
Gain on forgiveness of Payroll Proection Program loan	(2,341,100)	-
Net realized/unrealized (gains) losses on investments	(2,385,797)	11,081
Accretion of discount on pledge receivable	(263,903)	(133,484)
Change in operating assets and liabilities:		
Decrease (increase) in:		
Grants and other receivables	(185,641)	(221,605)
Program service and pledge receivables	241,659	(572,104)
Prepaid expenses and other assets	71,391	16,720
(Decrease) increase in:		
Accounts payable and accrued expenses	347,224	51,609
Deferred revenue	(360,528)	248,620
TOTAL ADJUSTMENTS	(4,758,755)	(464,332)
NET CASH PROVIDED BY OPERATING ACTIVITIES	2,662,570	2,178,823
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(11,409)	(79,940)
Proceeds from the sale of investments	646,785	3,263,665
Purchases of investments	(4,925,135)	(7,013,429)
NET CASH USED IN INVESTING ACTIVITIES	(4,289,759)	(3,829,704)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Paycheck Protection Program loan	-	2,341,100
Collection on endowed pledge receivable	950,000	507,260
NET CASH PROVIDED BY FINANCING ACTIVITIES	950,000	2,848,360
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(677,189)	1,197,479
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	6,717,476	5,519,997
CASH AND CASH EQUIVALENTS - END OF YEAR	**$ 6,040,287**	**$ 6,717,476**

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash paid for interest	**$ 15,130**	**$ 14,431**

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

1. ORGANIZATION

Organization

Dr. Stanley and Pearl Goodman JFS of Broward County, Inc. ("JFS" and, together with its affiliates, the "Organization") is a not-for-profit organization incorporated in the State of Florida in January 1963, to provide various services, primarily to the members of the Jewish community in Broward County, Florida. The services include counseling, care management, and financial assistance to those in need.

On April 8, 2014, Jewish Family Services of Broward Foundation, Inc. (the "Foundation") was formed as a separate fundraising entity to raise and distribute funds for the benefit of JFS to further provide for the advocacy and resources for Jewish Family Services in Broward County. The Foundation was organized as a non-profit organization under the provisions of Chapter 617 of the Florida Statutes.

Jewish Family Home Care, Inc. ("JFHC"), was formed on March 18, 2015 as a separate 501(c)(3) non-profit organization to provide homecare and housekeeping services to members of the senior community living in Broward County, Florida. On March 20, 2019, the JFHC acquired 100% interest in Nursing Plus of Broward, LLC ("Nursing Plus Broward"). Nursing Plus Broward is a Medicare Certified Home Health Agency (NOTE 16).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Principles of Consolidation

The consolidated financial statements include the accounts of JFS, JFHC, the Foundation, and Nursing Plus Broward which are under common control and collectively referred to as the Organization. All intercompany balances and transactions have been eliminated in the accompanying consolidated financial statements. The consolidated financial statements are prepared using the accrual basis of accounting under accounting principles generally accepted in the United States of America ("U.S. GAAP").

Net assets and revenues, expenses, gains and losses are classified based on the existence of donor-imposed or time restrictions as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of trustees.

Net assets with donor restrictions – Net assets subject to explicit donor-imposed restrictions such as time and/or purpose restrictions. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Consolidated Statements of Activities.

Cash and Cash Equivalents

Cash and cash equivalents include cash held in checking and money market accounts with maturities of three months or less unless they are included within Investment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions and Pledges Receivable

Contributions received including unconditional promises to give are recorded at their fair value and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restriction. If a restriction is fulfilled in the same time period in which the contribution is received, the contribution is reported as without donor restrictions. Conditional promises to give are not included as support until such time as the conditions are substantially met.

Pledges determined to be uncollectible during the year in which such pledges are received are shown as a reduction of contributions. Pledges determined to be uncollectible subsequent to the year in which such pledges are received are charged to the allowance for uncollectible pledges. The allowance for uncollectible pledges is based on the the Organization’s historical pledge collection experience and management’s evaluation of other pertinent factors. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in more than one year are discounted using a market rate of return and are recorded at net present value.

Grants and Other Receivables, Net

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

Program Service Receivables and Revenue, Net

Program service receivables consist of amounts due under discounted fee-for-service contracts with patients and third-party payers, such as insurance companies, self-insured employers, and government-sponsored health care programs.

The fee-for-service receivables of approximately $455,000 and $670,000 at June 30, 2021 and 2020, respectively, are presented net of contractual adjustments and an estimated allowance for doubtful accounts of approximately $24,500 and $52,000 at June 30, 2021 and 2020, respectively. Contractual adjustments result from the difference between customary charges for services performed, including withholding provisions, and reimbursement by government sponsored healthcare programs and insurance companies for such services. Management reviews the collectability of receivables and assesses the need for an allowance for doubtful accounts based on the Organization’s receivable collection experience and management’s evaluation and pertinent factors. Account balances are charged off against the allowance after all commercially reasonable means of collection have been exhausted and potential for recovery is considered remote.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments at Fair Value

Investments are primarily comprised of equities and money market funds. Investments are carried at fair value determined by quoted market values. Investments gains and losses (including gains and losses on investments, interest, and dividends) are included in the Consolidated Statements of Activities. Investment gains restricted by a donor are reported as increases in donor restricted net assets unless the restrictions are met (either by passage of time or use) in the reporting period in which the income and gains are recognized.

Property and Equipment, Net

Property and equipment are recorded at cost when purchased or, if contributed, are recorded at the fair value at the time of the contribution. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. The Organization’s capitalization policy requires individual assets to be capitalized if the original cost exceeds $1,000. Depreciation and amortization are calculated using the straight-line method over the estimated useful lives of the assets. Construction in progress is recorded at cost until completion when it is then depreciated over the estimated useful lives of the assets.

The estimated lives used in determining depreciation and amortization are:

Furniture and equipment	7 years
Computer equipment	3 years
Vehicles	7 years
Leasehold improvements	over term of lease

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

Prepaid Expenses and Other Assets

Prepaid expenses consist primarily of expenses for a Medicare License (NOTE 16), prepaid insurance, and prepaid rent.

Deferred Revenue

Grant funding received in advance and program fees collected in advance for the following year are recorded as deferred revenue at year end.

Revenue Recognition - Contributions

Transfer of cash or other assets or settlement of liabilities that are both voluntary and nonreciprocal are recognized as contributions. Contributions may either be conditional or unconditional. A contribution is considered conditional when the donor imposes both a barrier and a right of return. Conditional contributions are recognized as revenue on the date all donor-imposed barriers are overcome or explicitly waived by the donor. Barriers may include specific and measurable outcomes, limitations on the performance of an activity and other stipulations related to the contribution. A donor has a right of return of any assets transferred or a right of release of its obligation to transfer any assets in the event the Organization fails to overcome one or more barriers. Assets received before the barrier is overcome are accounted for as refundable advances.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition – Contributions (Continued)

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

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

Federation Allocation and Grants

The Organization receives support from the United Jewish Community of Broward County, Inc.(“Federation”). For the years ended June 30, 2021 and 2020, the Organization received support in the amount of approximately $1,222,000 and $801,000, respectively, and it is reflected within the Consolidated Statements of Activities as “United Jewish Community of Broward County, Inc. allocation and grants”. It is the opinion of management that these promises are conditional and, therefore, are not reported as either a receivable or revenue in these consolidated financial statements.

Revenue Recognition – Exchange Transactions

Reciprocal transfers in which each party receives and sacrifices goods or services with approximate commensurate value are recognized as exchange transactions. The Organization adopted Accounting Standards Codification (“ASC)” Topic 606, Revenue from Contracts with Customers (“Topic 606”) on July 1, 2020 using the modified retrospective method applied to all contracts not completed as of the date of the adoption. The Organization applies Topic 606 to exchange transactions in which it receives consideration from individuals for program services offered. Under U.S. GAAP, these arrangements are exchange transactions between the Organization and the individuals participating in the Organization’s programs. The Organization recognizes revenue when the performance obligations are satisfied in accordance with a five-step model. Topic 606 also requires new and expanded disclosures regarding revenue recognition to ensure an understanding as to the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

The modified retrospective adoption method requires the Organization to record a transition adjustment for the new revenue standard, if any, as a cumulative effect adjustment to beginning net assets as of the date of adoption. Therefore, comparative information has not been adjusted. No adjustment to the Organization’s beginning net assets were required as a result of adopting Topic 606.

Service and Other Income

Service and other income revenues are comprised of insurance reimbursements and private payments received for services rendered to individuals and are recognized at the point in time in which the services relate. Individuals are provided with counseling related services, which are accounted for as a single performance obligation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Goods and Services

The Organization receives donated goods, foods, and services and records the in-kind donation when there is an objective basis available to measure the value. The values of the donated items are included in “Public support and other” in the accompanying Consolidated Statements of Activities at their fair market values on the date of receipt.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Consolidated Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and support services benefited. Expenses that can be directly identified with the program or supporting services are reported as expenses of those functional areas. Personnel expenses are allocated on the basis of estimated time and effort. Other expenses are allocated among program and supporting services based on a reasonable basis that is consistently applied.

Fair Value of Financial Instruments

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

Concentration of Credit Risk and Market Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents, investments, accounts receivable and promises to give. The Organization maintains cash balances in accounts at several financial institutions. The Federal Deposit Insurance Corporation ("FDIC") insures accounts up to $250,000. At June 30, 2021, and 2020, and at certain times during the years the Organization had amounts on deposit that were in excess of the federally insured limit. Cash is maintained at quality financial institutions, and the Organization has not experienced losses in such accounts.

Investments are subject to both credit and market risks. Credit risk is the possibility that a loss may occur from the failure of another party to perform according to the terms of a contract. Market risk is the possibility that fluctuations in the investment market will impact the value of the portfolio. The Organization has an investment policy and utilizes management oversight, and periodically reviews its investment portfolios to monitor these risks.

The Organization maintains investment accounts which are not insured by the FDIC. These funds may be subject to insurance by Securities Investor Protection Corporation ("SIPC"). Management believes that the risk of loss with respect to the financial institutions has been minimized by choosing strong institutions with whom to do business.

The Organization receives a significant amount of its support from grants received from the Claims Conference. For the years ended June 30, 2021 and 2020 approximately 72% and 76%, respectively, of total revenue and support without donor restrictions was from the Claims Conference. The loss in funding of this grant could have a significant negative impact on the Organization’s operations. Management understands that this grant depends on the availability of funds and the life expectancies of the Holocaust survivors.

At June 30, 2020, approximately 85%, of the pledges receivable is due from one donor (NOTE 6).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Management Estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of public support and revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Income Tax

The Organization is a non-profit corporation which is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code ("IRC") and sales and use tax under the laws of the State of Florida.

The Organization recognizes and measures tax positions based on their technical merit and assesses the likelihood that the positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. Interest and penalties on tax liabilities, if any, would be recorded in interest expense and other non-interest expense, respectively. The Organization did not incur any tax expenses during the years ended June 30, 2021 and 2020.

The U.S. Federal jurisdiction and Florida are the major tax jurisdictions where the Organization files income tax returns. Additionally, the Organization has filed Internal Revenue Service Form 990 tax returns, as required, and all other applicable returns in jurisdictions where it is required. The Organization is generally no longer subject to U.S. Federal or State examinations by tax authorities for fiscal years before 2018.

Nursing Plus Broward is treated as a disregarded entity for federal and state income tax purposes and, accordingly, would not incur income taxes or have any unrecognized tax benefits. Instead, the earnings and losses are included in the income tax returns of its sole member, JFHC. As a result, the accompanying consolidated financial statements do not reflect a provision for income taxes.

Risk and Uncertainties

Since January 2020, the coronavirus ("COVID-19") outbreak has caused substantial disruption in international and U.S. economics and markets. On March 11, 2020 the World Health Organization designated COVID-19 as a pandemic. While the Organization did not incur significant disruptions during the years ended June 30, 2021, from COVID-19, the Organization is unable to predict the impact that COVID-19 will have on the financial position and change in net assets due to numerous uncertainties. These uncertainties include the severity of the virus, the duration of the outbreak, governmental, or other actions (which include promotion of social distancing), or changes to the Organization operations.

Adopted Accounting Pronouncements

Revenue from Contracts with Customers

The Organization adopted ASC Topic 606 beginning July 1, 2020, using the modified retrospective method applied to all contracts not completed as of the date of the adoption. Under Topic 606, revenue is recognized when a customer obtains control of promised goods or services in an amount that reflects the consideration the entity expects to receive in exchange for those goods or services. In addition, the update requires disclosure of the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Organization determined that the adoption of Topic 606 did not have a material effect on beginning net asset balances because revenue is recognized as services are provided under both the current and prior accounting rules and as such no cumulative-effect adjustment in net assets was recorded as a result of the adoption of Topic 606.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adopted Accounting Pronouncements (Continued)

Fair Value Measurement: Disclosure Framework - Changes to Disclosure Requirements for Fair Value Measurement

Accounting Standard Update ("ASU)" 2018-13, Fair Value Measurement: Disclosure Framework – Changes to Disclosure Requirements for Fair Value Measurement, was issued as part of the Financial Accounting Standards Board ("FASB") disclosure framework project to improve the effectiveness of disclosures about fair value measurements required under ASC 820. The ASU amends the disclosure requirements for recurring and nonrecurring fair value measurements by removing, modifying and adding certain disclosures. This ASU is effective for fiscal years beginning after December 15, 2019. The Organization adopted this ASU during the year ended June 30, 2021, and there was no significant impact on the consolidated financial statements.

Recent Accounting Pronouncements - Not Adopted

Lease Accounting

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

The update originally required transition to the new lease guidance using a modified retrospective approach which would reflect the application of the update as of the beginning of the earliest comparative period presented. A subsequent amendment to the update provides an optional transition method that allows entities to initially apply the new lease guidance with a cumulative-effect adjustment to the opening balance of equity in the period of adoption. If this optional transition method is elected, after the adoption of the new lease guidance, the Organization's presentation of comparative periods in the consolidated financial statements will continue to be in accordance with current lease accounting. The update is effective for fiscal years beginning after December 15, 2019, and for interim periods within fiscal years beginning after December 15, 2020, with early application permitted. The effective dates have tentatively been extended to fiscal years beginning after December 15, 2021, and for interim periods within fiscal years beginning after December 15, 2022. The Organization is evaluating the method of adoption it will elect.

Credit Losses

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

Reference Rate Reform

In March 2020, the FASB issued an ASU to provide guidance related to recognizing the effects of reference rate reform on financial reporting. The update is effective for all entities as of March 12, 2020 through December 31, 2022. The Organization is currently evaluating the potential accounting, transition, and disclosure effects the update will have on its consolidated financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements - Not Adopted (Continued)

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

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

Reclassification

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

3. LIQUIDITY MANAGEMENT AND AVAILABILITY OF RESOURCES

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Organization considers general expenditures to be all expenditures related to its ongoing activities to accomplish its mission as well as the conduct of services undertaken to support those activities, to be general expenditures. The Organization holds cash in various interest-bearing bank accounts with well-known financial institutions. Additionally, the Organization has adopted investment and spending policies that attempt to provide a predictable stream of income to programs and operations supported by its investments. Furthermore, the Board reviews the consolidated Statements of Financial Position and consolidated Statements of Activities results periodically. The Organization also has a line of credit available which can be used to meet general expenditures within one year (NOTE 10).

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

	2021	2020
Cash	$ 6,040,287	$ 6,717,476
Grants and other receivables, net	507,962	322,321
Program service receivables, net	430,715	617,790
Pledges receivable due in less than one year	115,195	242,068
Investments at fair value	16,886,261	10,222,114
Total financial assets available within one year	23,980,420	18,121,769
Less: amounts unavailable to management due to donor imposed restrictions	(6,779,080)	(5,488,111)
Total financial assets available to management	**$ 17,201,340**	**$ 12,633,658**

4. INVESTMENTS

At June 30, 2021 and 2020, the Organization had funds held and administrated by the Federation, and held additional funds which are held in brokerage accounts. The assets are held by the Federation; however, the Organization has its own sub-account.

Investments consist of the following at June 30:

	Federation managed investments	Investments within brokerage accounts	2021 Total
	$ -	$ 6,836,235	$ 6,836,235
Money market fund	940,057	5,563,551	6,503,608
Domestic equities	961,352	677,631	1,638,983
Fixed income	800,682	1,106,753	1,907,435
International equities			
	$ 2,702,091	**$ 14,184,170**	**$ 16,886,261**

	Federation managed investments	Investments within brokerage accounts	2020 Total
	$ -	$ 3,221,456	$ 3,221,456
Domestic equities	630,573	3,318,301	3,948,874
Fixed income	780,299	571,493	1,351,792
International equities	823,945	876,047	1,699,992
	$ 2,234,817	**$ 7,987,297**	**$ 10,222,114**

The following schedule summarizes the investment return related to Investments for the years ended June 30:

	Federation managed investments	Investments within brokerage accounts	2021 Total
Interest and dividend income	$ 91,567	$ 235,217	$ 326,784
Net realized/unrealized gains	489,416	1,569,597	2,059,013
Fees	(7,213)	(9,425)	(16,638)
	$ 573,770	**$ 1,795,389**	**$ 2,369,159**

	Federation managed investments	Investments within brokerage accounts	2020 Total
Interest and dividend income	$ 147,180	$ 148,698	$ 295,878
Net realized/unrealized (losses) gains	(136,504)	144,537	8,033
Fees	(7,409)	(12,126)	(19,535)
	$ 3,267	**$ 281,109**	**$ 284,376**

5. FAIR VALUE MEASUREMENTS

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

The three levels of the fair value hierarchy under FASB ASC 820 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 and liabilities in active markets; quoted prices for identical or similar assets and liabilities in inactive markets; inputs other than quoted market prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's 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 assets measured at fair value. There have been no changes in the methodologies used at June 30, 2021 and 2020.

Money market funds and equities: valued at the closing price reported in the active market on which the securities are traded.

The following tables set forth by level, within the fair value hierarchy, the Organization's investments at fair value as of June 30, 2021 and 2020:

		Fair Value Measurements		
Description	**6/30/2021**	**Quoted Prices In Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Other Unobservable Inputs (Level 3)**
Assets:				
Money market funds	$ 6,836,235	$ 6,836,235	$ -	$ -
Equities:				
Domestic	6,503,608	6,503,608	-	-
Fixed Income	1,638,983	1,638,983	-	-
International	1,907,435	1,907,435	-	-
	$ 16,886,261	**$ 16,886,261**	**$ -**	**$ -**

5. FAIR VALUE MEASUREMENTS (CONTINUED)

		Fair Value Measurements		
Description	6/30/2020	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Assets:				
Money market funds	$ 3,221,456	$ 3,221,456	$ -	$ -
Equities:				
Domestic	3,948,874	3,948,874	-	-
Fixed Income	1,351,792	1,351,792	-	-
International	1,699,992	1,699,992	-	-
	$ 10,222,114	**$ 10,222,114**	**$ -**	**$ -**

6. PLEDGES RECEIVABLE, NET

Pledges receivable are expected to be realized in the following periods at June 30,:

	2021	2020
Less than one year	$ 115,195	$ 242,068
One to five years	75,000	-
More than five years	-	950,000
Total pledges receivable	190,195	1,192,068
Less: discounts to net present value	(2,711)	(263,903)
Pledges receivable, net	**$ 187,484**	**$ 928,165**

Pledges to be received after one year were discounted using rates ranging from interest rate of 3.75% - 7.50%. During the year ended June 30, 2021, a donor paid a pledge in the amount of $950,000 that was initially to be collected upon the death of the donor.

7. PROPERTY AND EQUIPMENT, NET

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

	2021	2020
Leasehold improvements	$ 606,737	$ 606,737
Furniture and equipment	61,947	59,672
Computer equipment	151,288	142,154
Vehicles	18,500	18,500
	838,472	827,063
Less: Accumulated depreciation and amortization	(431,489)	(313,549)
Property and equipment, net	**$ 406,983**	**$ 513,514**

Depreciation and amortization for the years ended June 30, 2021 and 2020 was approximately $118,000 and $135,000, respectively.

8. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consist of the following at June 30,:

	2021	2020
Accounts payable	$ 1,012,949	$ 801,147
Accrued payroll	650,007	551,684
Accrued vacation	185,247	187,147
Other accruals	115,213	76,214
	$ 1,963,416	**$ 1,616,192**

9. PAYCHECK PROTECTION PROGRAM LOAN

On April 21, 2020, the Organization received loans totaling approximately $2,341,000 under the Paycheck Protection Program (“PPP”) authorized by the Coronavirus Aid, Relief, and Economic Security Act that was signed into law on March 27, 2020. The Organization used the funds for payroll, rent, utilities, and other forgivable expenses. The proceeds from the loan were originally recognized as a financial liability in accordance with FASB ASC 470. During the year ended June 30, 2021, the Organization was granted forgiveness and legally released from the obligation by the Small Business Administration and recognized the proceeds as revenue for the year ended June 30, 2021. The forgiveness of approximately $2,341,000, which also includes interest incurred and forgiven on the loan, is reflected within the accompanying Consolidated Statements of Activities and within from the Paycheck Protection Program Loan Forgiveness for the year ended June 30, 2021.

10. LINE OF CREDIT

On August 15, 2018, the Organization entered into a revolving line of credit agreement with a financial institution. The line of credit allowed for borrowings up to $1,500,000 and matured on November 15, 2019. The line was renewed extending the maturity date to April 15, 2022 and increasing the borrowing capacity to $2,500,000. Bank advances on the credit line carry an interest rate of 0.50% per annum plus the United States prime rate (3.75% at June 30, 2021 and 2020, respectively).

As of June 30, 2021, and 2020, there was no outstanding balance on this line of credit. Interest expense for the years ended June 30, 2021 and June 30, 2020, was approximately $15,000 and $14,000, respectively

11. BOARD DESIGNATED NET ASSETS WITHOUT DONOR RESTRICTIONS

As of June 30, 2021 and 2020, approximately $91,000 and $79,000, respectively, of net assets without donor restrictions has been designated by the board for non-specific future purposes. These funds have been invested with the Federation.

12. NET ASSETS WITH DONOR RESTRICTIONS

The following is a reconciliation of net assets with donor restrictions as of and for the years ended June 30, 2021 and 2020:

	June 30, 2020	*Additions*	*Investment Income*	*Releases*	June 30, 2021
Subject to expenditure for a specific purpose:					
Food Bank - Cupboard	$ 184,248	$ 4,558	$ -	$ -	$ 188,806
Seniors	2,110,650	-	-	-	2,110,650
Amounts restricted as for time	119,470	14,238	-	(57,820)	75,888
Endowment:					-
Subject to endowment spending policy and appropriation	3,073,743	263,903	1,065,590	-	4,403,236
Total nets assets with donor restrictions	**$ 5,488,111**	**$ 282,699**	**$1,065,590**	**$ (57,820)**	**$ 6,778,580**

	June 30, 2019	*Additions*	*Investment Income*	*Releases*	June 30, 2020
Subject to expenditure for a specific purpose:					
Food Bank - Cupboard	$ 121,764	$ 62,484	$ -	$ -	$ 184,248
Seniors	2,110,650	-	-	-	2,110,650
Amounts restricted as for time	82,374	51,472	-	(14,376)	119,470
Endowment:					-
Subject to endowment spending policy and appropriation	2,749,279	191,643	132,821	-	3,073,743
Total nets assets with donor restrictions	**$ 5,064,067**	**$ 305,599**	**$ 132,821**	**$ (14,376)**	**$ 5,488,111**

13. ENDOWMENT

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

The State of Florida adopted the Florida Uniform Prudent Management of Institutional Funds Act ("FUPMIFA"). The Organization has interpreted the FUPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions the historical value of donor-restricted endowment funds, which includes (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) changes to the permanent endowment made in accordance with the direction of the applicable donor gift instrument. Also included in net assets with donor restrictions is accumulated appreciation on donor restricted endowment funds which are available for expenditure in a manner consistent with the standard of prudence prescribed by the FUPMIFA, and deficiencies associated with funds where the value of the fund has fallen below the original value of the gift.

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

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

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

Summary of Endowment Net Assets at June 30, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	$ 91,319	$ -	$ 91,319
Donor-restricted endowment funds	-	4,303,236	4,303,236
	$ 91,319	**$ 4,303,236**	**$ 4,394,555**

Summary of Endowment Net Assets at June 30, 2020:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	$ 79,013	$ -	$ 79,013
Donor-restricted endowment funds	-	2,387,646	2,387,646
	$ 79,013	**$ 2,387,646**	**$ 2,466,659**

13. ENDOWMENT (CONTINUED)

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

	Without Donor Restrictions	With Donor Restrictions	Total
Net assets, June 30, 2020	$ 79,013	$ 2,387,646	$ 2,466,659
Contributions	1,580	850,000	851,580
Interest and dividends	16,536	48,032	64,568
Gain on investment, net	-	1,017,558	1,017,558
Amounts appropriated for expenditure	(5,810)	-	(5,810)
Net assets, June 30, 2021	**$ 91,319**	**$ 4,303,236**	**$ 4,394,555**

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

	Without Donor Restrictions	With Donor Restrictions	Total
Net assets, June 30, 2019	$ 77,868	$ 1,889,164	$ 1,967,032
Contributions	-	365,661	365,661
Interest and dividends	4,440	41,760	46,200
(Loss) gain on investment, net	(3,295)	91,061	87,766
Net assets, June 30, 2020	**$ 79,013**	**$ 2,387,646**	**$ 2,466,659**

	June 30, 2021	June 30, 2020
The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or by FUPMIFA	$ 4,303,236	$ 2,387,646

During the year ended June 30, 2021, the Organization collected an additional $100,000 which was not yet invested, and these amounts are presented as assets held in perpetuity within NOTE 12 of the consolidated financial statements. These amounts were invested within the endowment after year-end.

Funds with Deficiencies

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

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term.

Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

13. ENDOWMENT (CONTINUED)

Strategies Employed for Achieving Objectives

To satisfy long-term rate-of-return objectives, the Organization's assets are invested within money market funds and equities (NOTE 4).

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organization has a policy of appropriating distributions based on written agreements with the donors. The spending policy calculates the amount of money annually distributed from the Organization's endowment funds. The spending policy allows for the Organization to distribute an annual amount of 5% of the fair value of the endowment fund measured on January 1. During each of the years ended June 30, 2021 and 2020, the Organization did not elect to appropriate these amounts for expenditure. This policy is consistent with the Organization's objective to maintain the purchasing power of endowment assets and to provide additional real growth through investment return.

14. CLAIMS CONFERENCE GRANT

The Organization received grants from the Claims Conference in the amount of approximately $21,788,000 and $20,152,000 for the years ended June 30, 2021 and 2020, respectively. The Claims Conference grants are being used for the social service program for Holocaust survivors administered by the Organization. As of June 30, 2021, the Organization had a grant receivable balance from the Claims Conference in the amount of approximately $421,000, which is reflected in the Consolidated Statements of Financial Position in the caption "Grants and other receivables, net." Additionally, as of June 30, 2020, the Organization had a deferred revenue balance from the Claims Conference in the amount of approximately $93,000, which is reflected in the Consolidated Statements of Financial Position in the caption "Deferred revenue."

Reimbursements from grants are recorded as support in the period when the expenditures are made. The Organization recognized grant revenue from the Claims Conference during the years ended June 30, 2021 and 2020.The Organization has complied with in all material respects the provisions of the grants. The grant funds were expended exclusively for the purpose for which they were granted. During the years ended June 30, 2021 and June 30, 2020 these amounts were expedited for specific assistance as follows:

	June 30, 2021	June 30, 2020
Specific assistance	$ 19,366,066	$ 17,879,478
Intercompany elimination	(15,548,315) *	(14,790,828) *
Total grant expenditures, net	**$ 3,817,751**	**$ 3,088,650**

*- The following represents amounts that were billed and expedited by JFS in accordance with the grant provisions and paid to JFHC. These amounts are eliminated in consolidation.

15. EMPLOYEE BENEFIT PLANS

The Organization sponsors two 403(b) Plans. For the years ended June 30, 2021 and 2020, the Organization contributed a matching contribution of 50% of the employee's contribution up to 3% of the employee's wages. For both of the 403(b) Plans during the years ended June 30, 2021 and 2020, contributions totaled approximately $83,000 and $56,000, respectively.

The Organization also maintains two deferred compensation plans qualifying under section 457(b) of the IRC for the Chief Executive Officers of JFS and JFHC. For both plans during the years ended June 30, 2021 and 2020, contributions totaled approximately $31,000 and $21,000, respectively.

16. ACQUISITION OF NURSING PLUS BROWARD

On March 20, 2019, the Organization acquired 100% interest in Nursing Plus Broward through stock purchase agreements for approximately $298,000, including direct legal costs. Nursing Plus Broward is a Medicare Certified Home Health Agency that operates in Broward County, Florida. The Organization has accounted for the acquisition as an asset acquisition as substantially all the fair value of the gross assets acquired were concentrated in a single identifiable asset, the Medicare License. The license has an indefinite life, thus it is not being amortized. Management tests the Medicare License for impairment annually. No impairment on the license was taken during the years ended June 30, 2021 and 2020. The cost of the acquisition is included with "Prepaid expenses and other assets" on the Consolidated Statements of Financial Position.

17. COMMITMENTS AND CONTINGENCIES

Operating Leases

In February 2017, the Organization entered an operating lease for space in Davie, Florida. This location is used for the Organization's food pantry. This lease was renewed by the Organization and now matures in January 2023.

In June 2017, the Organization entered into two separate agreements to lease its main office space on the Organization's campus starting in July 1, 2018. These leases expire in June 2023 and June 2028.

In May 2019, the Organization entered into a lease for office space in Hollywood, Florida. This lease expires in April 2022.

Additionally, the Organization leases its office equipment, under non-cancellable operating lease agreements with terms expiring at various dates through September 2022.

Minimal annual rental commitments under long-term operating leases in effect at June 30, 2021 approximate the following:

Years ending June 30,:	
2022	$ 280,000
2023	207,000
2024	122,000
2025	122,000
2026	122,000
Thereafter	367,000
	$ 1,220,000

Rent expense, including equipment rentals, amounted to approximately $303,000 and $327,000 for the years ended June 30, 2021 and 2020, respectively.

17. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Litigation

The Organization is exposed to various asserted and unasserted potential claims encountered in the normal course of business. In the opinion of management, the resolution of these matters is not expected to have a material effect on the Organization's consolidated financial statements.

Contingencies

Certain programs in which the Organization participates are subject to periodic audits by granting agencies. Such audits may result in disallowed cost due to compliance testing. Management believes future disallowances of grant expenditures, if any, would not have a material adverse effect on the consolidated financial position of the Organization.

18. SUBSEQUENT EVENTS

Subsequent Events

The Organization has evaluated subsequent events through January 18, 2022, which is the date the consolidated financial statements were available to be issued.