

**Jewish Community Council
of Greater Coney Island Inc.**

Independent Auditor's Report and Financial Statements

June 30, 2020 and 2019



Jewish Community Council of Greater Coney Island Inc.
June 30, 2020 and 2019

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Independent Auditor's Report

Board of Directors
Jewish Community Council of Greater Coney Island Inc.
Brooklyn, New York

We have audited the accompanying financial statements of Jewish Community Council of Greater Coney Island Inc., which comprise the statements of financial position as of June 30, 2020, and 2019, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

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

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

Board of Directors
Jewish Community Council of Greater Coney Island Inc.
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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jewish Community Council of Greater Coney Island Inc. as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BKD, LLP

New York, New York
February 23, 2021

Jewish Community Council of Greater Coney Island Inc.

Statements of Activities

Years Ended June 30, 2020 and 2019

| | 2020 | | | 2019 | | |
|--|-------------------------------|----------------------------|---------------|-------------------------------|----------------------------|---------------|
| | Without Donor Restrictions | With Donor Restrictions | Total | Without Donor Restrictions | With Donor Restrictions | Total |
| Revenues and Other Support | | | | | | |
| Grants | | | | | | |
| Government | \$ 13,682,242 | \$ - | \$ 13,682,242 | \$ 13,941,404 | \$ - | \$ 13,941,404 |
| Corporate and foundation | 27,234,816 | - | 27,234,816 | 21,397,554 | - | 21,397,554 |
| Contributions | | | | | | |
| Corporate and foundation | 68,300 | 393,000 | 461,300 | 66,781 | 847,667 | 914,448 |
| General public | 10,040 | 53,521 | 63,561 | 30,204 | - | 30,204 |
| Participant contributions | 140,890 | 5,450 | 146,340 | 183,256 | 1,070 | 184,326 |
| Participant fees | 69,711 | - | 69,711 | 72,278 | - | 72,278 |
| In-kind contributions | 608,998 | - | 608,998 | 613,424 | - | 613,424 |
| Other income | 11,635 | - | 11,635 | 33,268 | - | 33,268 |
| Interest income (net of fees of \$8,202 and \$7,872 in 2020 and 2019, respectively) | 37,668 | - | 37,668 | 33,966 | - | 33,966 |
| Net assets released from restrictions | 567,087 | (567,087) | - | 598,629 | (598,629) | - |
| Total revenues and other support | 42,431,387 | (115,116) | 42,316,271 | 36,970,764 | 250,108 | 37,220,872 |
| Expenses | | | | | | |
| Program services | 39,630,559 | - | 39,630,559 | 34,599,969 | - | 34,599,969 |
| Supporting services | 3,179,718 | - | 3,179,718 | 2,661,149 | - | 2,661,149 |
| Total expenses | 42,810,277 | - | 42,810,277 | 37,261,118 | - | 37,261,118 |
| Change in Net Assets | (378,890) | (115,116) | (494,006) | (290,354) | 250,108 | (40,246) |
| Net Assets, Beginning of Year | 2,148,167 | 792,948 | 2,941,115 | 2,438,521 | 542,840 | 2,981,361 |
| Net Assets, End of Year | \$ 1,769,277 | \$ 677,832 | \$ 2,447,109 | \$ 2,148,167 | \$ 792,948 | \$ 2,941,115 |

Jewish Community Council of Greater Coney Island Inc.
Statement of Functional Expenses
Year Ended June 30, 2020

| | Program Services | | | | | | | | | | | | | | | | | Supporting Services | | | Total |
|--|-------------------|---------------------------------|---|-------------------------------|-------------------------------|---|------------------------|-------------------|----------------------------|-------------------------|---|-------------------------------|--|----------------------|---|------------------------|---------------|------------------------------|-------------|--------------|---------------|
| | Adult Literacy | Education/ Youth Services | Financial Assistance to Indigent Clients | Other Social Assistance | Senior Citizen Homecare | Senior Citizen Transportation/ Community Shuttle Bus | Vocational Services | Senior Centers | Home Delivered Meals | Technical Assistance | Homebound Senior Visitation Services | Gun Violence Prevention | Urban Neighborhood Multi-Service Center | Domestic Violence | Storm Recovery and Disaster Prevention | COVID-19 Assistance | Total | Management and General | Fundraising | Total | 2020 |
| Salaries | \$ 443,468 | \$ 968,495 | \$ 216 | \$ 1,006,204 | \$ 661,097 | \$ 1,056,683 | \$ 2,523,431 | \$ 1,533,926 | \$ 377,510 | \$ 50,611 | \$ 240,240 | \$ 771,180 | \$ 60,396 | \$ 27,169 | \$ 11,635 | \$ 3,108 | \$ 9,735,369 | \$ 1,845,631 | \$ 49,114 | \$ 1,894,745 | \$ 11,630,114 |
| Payroll taxes and employee benefits | 65,800 | 127,305 | 24 | 189,240 | 121,202 | 206,817 | 371,283 | 304,717 | 104,199 | 11,645 | 50,574 | 122,707 | 16,572 | 9,589 | 1,258 | 368 | 1,703,300 | 360,820 | 23,402 | 384,222 | 2,087,522 |
| Occupancy | 8,450 | 58,046 | - | 7,692 | 5,769 | 3,639 | 457,592 | 641,285 | 8,500 | - | 3,846 | 63,158 | 11,363 | - | - | - | 1,269,340 | 72,383 | - | 72,383 | 1,341,723 |
| Program supplies and expenses | 16,419 | 97,182 | 1,892 | 12,216 | - | 18 | 7,568 | 86,856 | 856 | - | 18,233 | 33,567 | 166 | - | 474 | 27,982 | 303,429 | - | - | - | 303,429 |
| Office supplies and expenses | 2,085 | 1,188 | - | 4,216 | 31 | 832 | 70,156 | 41,467 | 386 | - | 1,919 | 8,497 | 3,013 | 272 | - | 426 | 134,488 | 67,322 | 2,622 | 69,944 | 204,432 |
| Equipment and maintenance | 21,663 | 9,733 | 603 | 6,850 | 27,000 | 8,692 | 107,714 | 43,249 | 362 | 193 | 2,110 | 16,063 | 260 | - | - | 425 | 244,917 | 114,203 | 7,000 | 121,203 | 366,120 |
| Telephone and postage | 129 | 944 | - | 528 | 1,510 | 6,988 | 11,555 | 25,573 | - | 345 | 2,545 | 9,249 | 2,941 | - | - | - | 62,307 | 26,880 | 2,770 | 29,650 | 91,957 |
| Automotive expense | - | - | - | - | - | 94,277 | - | - | 24,839 | - | - | - | - | - | - | - | 119,116 | - | - | - | 119,116 |
| Printing and advertising | 1,420 | 8,592 | - | 8,435 | - | 122 | 35,085 | 1,321 | - | 38 | - | 7,114 | - | - | 1,703 | 596 | 64,426 | - | 31,168 | 31,168 | 95,594 |
| Participant stipends | - | - | - | - | - | - | 150 | - | - | - | - | 26,170 | - | - | - | - | 26,320 | - | - | - | 26,320 |
| Recreational and educational consultants | - | - | - | 8,000 | - | - | - | 215,191 | - | - | 200 | 3,578 | - | - | - | - | 226,969 | - | - | - | 226,969 |
| Professional fees | - | 19,100 | - | 40,857 | 5,482 | 1,261 | 229,642 | 25,934 | 4,978 | 37,169 | 386 | 6,778 | 42 | - | 112 | - | 371,741 | 91,713 | 117,165 | 208,878 | 580,619 |
| Food/congregate food expense | - | - | 1,560 | 4,750 | - | - | - | 721,932 | 373,139 | - | 7,373 | 1,259 | - | - | - | 46,661 | 1,156,674 | - | - | - | 1,156,674 |
| Transportation services | - | 41,665 | - | - | - | 32,415 | - | 13 | - | - | - | 1,849 | - | - | - | - | 75,942 | - | - | - | 75,942 |
| Senior citizen transportation services | - | - | - | - | - | 1,473,636 | - | - | - | - | 97 | - | - | - | - | - | 1,473,733 | - | - | - | 1,473,733 |
| Senior citizen homecare | - | - | - | - | 21,960,210 | - | - | - | - | - | - | - | - | - | - | - | 21,960,210 | - | - | - | 21,960,210 |
| Staff travel | 2,026 | - | - | 204 | 133 | 524 | 1,881 | 507 | 60 | 136 | 247 | 1,160 | 77 | - | - | - | 6,955 | 206 | - | 206 | 7,161 |
| Insurance | - | - | - | - | - | - | - | - | - | 2,678 | - | 1,707 | - | - | - | - | 4,385 | 88,784 | - | 88,784 | 93,169 |
| Dues, fees, subscriptions, honoraria and workshop registration | 826 | 467 | 15 | - | - | 155 | 411 | 11,993 | 56 | 848 | 428 | 1,166 | 15 | - | - | - | 16,380 | 53,947 | 3,606 | 57,553 | 73,933 |
| Camp scholarships | - | - | 9,400 | - | - | - | - | - | - | - | - | - | - | - | - | - | 9,400 | - | - | - | 9,400 |
| Depreciation and amortization | 4,406 | 10,443 | 281 | 10,102 | 178,517 | 22,614 | 46,258 | 28,632 | 7,012 | 812 | 3,411 | 8,427 | 743 | 290 | 119 | 623 | 322,690 | 29,380 | 2,556 | 31,936 | 354,626 |
| Vocational training | - | - | - | - | - | - | 320,146 | - | - | - | - | - | - | - | - | - | 320,146 | - | - | - | 320,146 |
| Emergency relief distribution | - | - | 22,122 | - | - | - | - | - | - | - | - | 200 | - | - | - | - | 22,322 | - | - | - | 22,322 |
| Bad debt expense | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 189,046 | - | 189,046 | 189,046 |
| Total expenses reported on the statements of activities | \$ 566,692 | \$ 1,343,160 | \$ 36,113 | \$ 1,299,294 | \$ 22,960,951 | \$ 2,908,673 | \$ 4,182,872 | \$ 3,682,596 | \$ 901,897 | \$ 104,475 | \$ 331,609 | \$ 1,083,829 | \$ 95,588 | \$ 37,320 | \$ 15,301 | \$ 80,189 | \$ 39,630,559 | \$ 2,940,315 | \$ 239,403 | \$ 3,179,718 | \$ 42,810,277 |

Jewish Community Council of Greater Coney Island Inc.
Statement of Functional Expenses
Year Ended June 30, 2019

| | Program Services | | | | | | | | | | | | | | | | Supporting Services | | | Total |
|--|-------------------|---------------------------------|---|-------------------------------|-------------------------------|---|------------------------|-------------------|----------------------------|-------------------------|---|-------------------------------|--|----------------------|---|---------------|------------------------------|-------------|--------------|---------------|
| | Adult Literacy | Education/ Youth Services | Financial Assistance to Indigent Clients | Other Social Assistance | Senior Citizen Homecare | Senior Citizen Transportation/ Community Shuttle Bus | Vocational Services | Senior Centers | Home Delivered Meals | Technical Assistance | Homebound Senior Visitation Services | Gun Violence Prevention | Urban Neighborhood Multi-Service Center | Domestic Violence | Storm Recovery and Disaster Prevention | Total | Management and General | Fundraising | Total | 2019 |
| Salaries | \$ 390,595 | \$ 931,317 | \$ 251 | \$ 898,815 | \$ 646,132 | \$ 949,458 | \$ 2,424,623 | \$ 1,321,236 | \$ 365,753 | \$ 57,606 | \$ 235,513 | \$ 705,315 | \$ 73,156 | \$ 24,876 | \$ 37,550 | \$ 9,062,196 | \$ 1,536,760 | \$ 53,423 | \$ 1,590,183 | \$ 10,652,379 |
| Payroll taxes and employee benefits | 57,407 | 121,579 | 27 | 178,143 | 122,378 | 188,196 | 356,513 | 310,657 | 113,414 | 22,837 | 49,806 | 120,361 | 21,730 | 7,237 | 9,860 | 1,680,145 | 328,305 | 24,030 | 352,335 | 2,032,480 |
| Occupancy | 11,800 | 54,096 | - | 8,692 | 5,769 | 773 | 366,517 | 664,509 | 8,104 | - | 3,846 | 64,111 | 10,155 | 2,978 | - | 1,201,350 | 72,383 | - | 72,383 | 1,273,733 |
| Program supplies and expenses | 22,863 | 105,207 | 1,225 | 5,618 | 102 | 227 | 8,786 | 134,760 | 253 | 1,695 | 17,744 | 69,398 | 677 | - | 477 | 369,032 | - | - | - | 369,032 |
| Office supplies and expenses | 2,283 | 2,196 | 1,329 | 814 | 395 | 574 | 90,552 | 51,731 | 1,121 | 57 | 2,309 | 9,074 | 1,983 | - | 2,874 | 167,292 | 67,781 | 5,854 | 73,635 | 240,927 |
| Equipment and maintenance | 3,190 | 33,089 | 972 | 11,184 | 7,543 | 3,240 | 123,499 | 70,748 | 1,230 | 1,864 | 7 | 5,428 | 150 | - | 1,167 | 263,311 | 122,880 | - | 122,880 | 386,191 |
| Telephone and postage | 18 | 1,153 | - | 866 | 1,992 | 7,627 | 9,560 | 26,102 | 2 | 378 | 2,177 | 10,621 | 1,792 | 582 | - | 62,870 | 39,123 | 5,525 | 44,648 | 107,518 |
| Automotive expense | - | - | - | - | - | 107,035 | - | - | 24,869 | - | - | - | - | - | - | 131,904 | - | - | - | 131,904 |
| Printing and advertising | 1,400 | 9,559 | - | 2,844 | - | 1,863 | 55,686 | 639 | - | 2,420 | 530 | 2,481 | 251 | - | 28,191 | 105,864 | 372 | 15,113 | 15,485 | 121,349 |
| Participant stipends | - | - | - | - | - | - | 9,000 | - | - | - | - | 23,230 | - | - | - | 32,230 | - | - | - | 32,230 |
| Recreational and educational consultants | - | - | - | 2,580 | - | - | - | 294,226 | - | - | 1,120 | 7,460 | - | - | - | 305,386 | - | - | - | 305,386 |
| Professional fees | 94 | 24,344 | - | 80 | 4,024 | 625 | 378,863 | 33,589 | 4,800 | 63,036 | 99 | 14,852 | 82 | - | 127,075 | 651,563 | 36,141 | 197,609 | 233,750 | 885,313 |
| Food/congregate food expense | - | - | 2,004 | - | - | - | - | 914,821 | 280,512 | - | 18,889 | - | - | - | - | 1,216,226 | - | - | - | 1,216,226 |
| Transportation services | - | 59,962 | - | - | - | 68,830 | 248 | 1,100 | - | - | - | 2,900 | - | - | - | 133,040 | - | - | - | 133,040 |
| Senior citizen transportation services | - | - | - | - | - | 2,116,582 | - | 789 | - | - | 476 | - | - | - | - | 2,117,847 | - | - | - | 2,117,847 |
| Senior citizen homecare | - | - | - | - | 16,175,557 | - | - | - | - | - | - | - | - | - | - | 16,175,557 | - | - | - | 16,175,557 |
| Staff travel | 6,364 | 158 | - | 2,331 | 63 | 294 | 1,992 | 90 | - | 386 | 1,083 | 1,044 | - | - | 161 | 13,966 | 522 | 111 | 633 | 14,599 |
| Insurance | - | - | - | 176 | - | - | - | - | - | 2,309 | - | 1,705 | - | - | - | 4,190 | 70,943 | - | 70,943 | 75,133 |
| Dues, fees, subscriptions, honoraria and workshop registration | 870 | 1,209 | 832 | 1,013 | 467 | 926 | 1,653 | 18,453 | 8 | 1,062 | 1,203 | 936 | 31 | - | - | 28,663 | 47,903 | 9,435 | 57,338 | 86,001 |
| Camp scholarships | - | - | 13,400 | - | - | - | - | - | - | - | - | - | - | - | - | 13,400 | - | - | - | 13,400 |
| Depreciation and amortization | 5,039 | 13,487 | 408 | 11,190 | 170,178 | 34,569 | 43,350 | 38,422 | 8,040 | 1,556 | 3,372 | 10,411 | 1,112 | 371 | 2,075 | 343,580 | 23,824 | 3,112 | 26,936 | 370,516 |
| Vocational training | - | - | - | - | - | - | 498,009 | - | - | - | - | - | - | - | - | 498,009 | - | - | - | 498,009 |
| Subcontracting | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Emergency relief distribution | - | - | 22,190 | - | - | - | - | - | - | - | - | 158 | - | - | - | 22,348 | - | - | - | 22,348 |
| Total expenses reported on the statements of activities | \$ 501,923 | \$ 1,357,356 | \$ 42,638 | \$ 1,124,346 | \$ 17,134,600 | \$ 3,480,819 | \$ 4,368,851 | \$ 3,881,872 | \$ 808,106 | \$ 155,206 | \$ 338,174 | \$ 1,049,485 | \$ 111,119 | \$ 36,044 | \$ 209,430 | \$ 34,599,969 | \$ 2,346,937 | \$ 314,212 | \$ 2,661,149 | \$ 37,261,118 |

Jewish Community Council of Greater Coney Island Inc.
Statements of Financial Position
June 30, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|---|-----------------------------|-----------------------------|
| Assets | | |
| Current Assets | | |
| Cash | \$ 7,523,012 | \$ 1,173,684 |
| Cash, board-designated | 79,577 | 78,792 |
| Investment, FJC Agency Loan Fund | 829,179 | 804,675 |
| Grants receivable | 3,441,677 | 7,931,504 |
| Contributions receivable | - | 50,000 |
| Prepaid and other current assets | <u>119,465</u> | <u>82,531</u> |
| Total current assets | 11,992,910 | 10,121,186 |
| Property and equipment, net | <u>1,125,678</u> | <u>1,267,271</u> |
| Total assets | <u><u>\$ 13,118,588</u></u> | <u><u>\$ 11,388,457</u></u> |
| Liabilities and Net Assets | | |
| Current Liabilities | | |
| Accounts payable and accrued expenses | \$ 6,571,350 | \$ 8,178,061 |
| Accrued vacation | 376,847 | 261,001 |
| Grant advances | <u>1,006,229</u> | <u>8,280</u> |
| Total current liabilities | 7,954,426 | 8,447,342 |
| Loan payable | <u>2,717,053</u> | <u>-</u> |
| Total liabilities | <u>10,671,479</u> | <u>8,447,342</u> |
| Net Assets | | |
| Without donor restrictions | | |
| Undesignated | 564,022 | 802,104 |
| Board-designated | 79,577 | 78,792 |
| Invested in property and equipment | <u>1,125,678</u> | <u>1,267,271</u> |
| Total net assets without donor restrictions | 1,769,277 | 2,148,167 |
| With donor restrictions | | |
| Purpose restrictions | <u>677,832</u> | <u>792,948</u> |
| Total net assets | <u>2,447,109</u> | <u>2,941,115</u> |
| Total liabilities and net assets | <u><u>\$ 13,118,588</u></u> | <u><u>\$ 11,388,457</u></u> |

Jewish Community Council of Greater Coney Island Inc.
Statements of Cash Flows
Years Ended June 30, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|---|---------------------|---------------------|
| Operating Activities | | |
| Change in net assets | \$ (494,006) | \$ (40,246) |
| Items not requiring operating cash flows | | |
| Depreciation and amortization | 354,627 | 370,515 |
| Loss on disposal of property and equipment | 14,353 | 6,764 |
| Provision for bad debt | 189,046 | - |
| Changes in | | |
| Grants receivable | 4,300,781 | (3,971,828) |
| Contributions receivable | 50,000 | (28,000) |
| Prepaid and other assets | (36,934) | 49,807 |
| Accounts payable and accrued expenses | (1,606,711) | 3,419,098 |
| Accrued vacation | 115,846 | 42,058 |
| Grant advances | 997,949 | (2,180,219) |
| | <u>3,884,951</u> | <u>(2,332,051)</u> |
| Net cash provided by (used in) operating activities | | |
| Investing Activities | | |
| Capital expenditures | (227,387) | (184,397) |
| Purchase of investments | (24,504) | (31,753) |
| | <u>(251,891)</u> | <u>(216,150)</u> |
| Net cash used in investing activities | | |
| Financing Activities | | |
| Proceeds from loan | 2,717,053 | - |
| | <u>2,717,053</u> | <u>-</u> |
| Net cash provided by financing activities | | |
| Net Change in Cash | 6,350,113 | (2,548,201) |
| Cash, Beginning of Year | <u>1,252,476</u> | <u>3,800,677</u> |
| Cash, End of Year | <u>\$ 7,602,589</u> | <u>\$ 1,252,476</u> |
| Reconciliation of Cash, End of Year | | |
| Cash | \$ 7,523,012 | \$ 1,173,684 |
| Cash, board designated | 79,577 | 78,792 |
| | <u>\$ 7,602,589</u> | <u>\$ 1,252,476</u> |

Jewish Community Council of Greater Coney Island Inc.

Notes to Financial Statements

June 30, 2020 and 2019

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Jewish Community Council of Greater Coney Island Inc. (JCCGCI) is a community-based organization with a citywide scope, providing a wide-spectrum of senior citizen, vocational, educational, crime-reduction, community revitalization and related services benefiting all segments of the population. JCCGCI is also a technical assistance provider, offering capacity building services to nonprofits in all five boroughs through its NonProfit HelpDesk division. With 40 program sites throughout New York City staffed by almost 350 social service professionals, JCCGCI assists an average of upwards of 2,500 needy individuals and families each day.

During the COVID-19 pandemic, JCCGCI transitioned primarily to remote service provision and adapted our programs and services to a revised level of functionality, including expanded COVID-19 Emergency Relief.

JCCGCI's revenues and other support are derived principally from contributions and grants from various government agencies, foundations and corporations, and its activities are conducted in the New York City area.

Use of Estimates

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

Investment – FJC Agency Loan Fund and Net Investment Return

The investment in the FJC Agency Loan Fund is recorded at fair value based upon the cash liquidation value as provided by the manager of the fund. Investment return includes interest on investments carried at fair value; less external and direct internal investment expenses.

Grants Receivable

Grants receivable from contracting agencies are recorded when earned and stated at the amount billed. Interest is not charged or accrued on outstanding receivables.

Allowance for Doubtful Accounts

JCCGCI has determined that no allowance for uncollectible accounts for grants or contributions receivable is necessary as of June 30, 2020 and 2019. Such estimate is based on management's assessment of the creditworthiness of its donors, the aged basis of its receivables, as well as current economic conditions, subsequent receipts and historical information.

Jewish Community Council of Greater Coney Island Inc.

Notes to Financial Statements

June 30, 2020 and 2019

Property and Equipment

Property and equipment acquisitions over \$5,000 are stated at cost, less accumulated depreciation and amortization. Depreciation and amortization are charged to expense on the straight-line basis over the estimated useful life of each asset. Assets under capital lease obligations (if applicable) and leasehold improvements are amortized over the shorter of the lease-term or respective estimated useful lives.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

| | |
|-------------------------|------------|
| Furniture and equipment | 3-10 years |
| Leasehold improvements | 5-20 years |

Long-Lived Asset Impairment

JCCGCI evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized for the years ended June 30, 2020 and 2019, respectively.

Grant Advances

Advance payments from contracting agencies that are not yet earned are recorded as liabilities until earned.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor restrictions. These include undesignated net assets, board-designated net assets, and net assets representing the net investment in property and equipment.

Net assets with donor restrictions are subject to donor restrictions. Restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor.

Grants

Expense-based grants are recognized into revenue as allowable expenses are incurred. Performance-based grants are recognized into revenue as milestones are achieved. Revenues from contracting agencies are subject to audit by the agencies. No provision for any disallowance is reflected in the financial statements, since management does not anticipate any material adjustments.

Jewish Community Council of Greater Coney Island Inc.

Notes to Financial Statements

June 30, 2020 and 2019

Contributions

Contributions are provided to JCCGCI either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

| Nature of the Gift | Value Recognized |
|--|---|
| <i>Conditional gifts, with or without restriction</i> | |
| Gifts that depend on a future and uncertain event | Not recognized until the gift becomes unconditional, <i>i.e.</i> , the donor-imposed condition is substantially met |
| <i>Unconditional gifts, with or without restriction</i> | |
| Received at date of gift – cash and other assets | Fair value |
| Received at date of gift – property, equipment and long-lived assets | Estimated fair value |
| Expected to be collected within one year | Net realizable value |
| Collected in future years | Initially reported at fair value determined using the discounted present value of estimated future cash flows technique |

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

When a donor-stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as revenue with donor restrictions and then released from restriction.

Conditional contributions and investment income having donor stipulations which are satisfied in the period the gift is received and the investment income is earned are recorded as revenue with donor restrictions and then released from restriction.

Jewish Community Council of Greater Coney Island Inc.

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In-Kind Contributions

In addition to receiving cash contributions, JCCGCI receives in-kind contributions of donated rent and utilities and donated food from various donors. It is the policy of JCCGCI to record the estimated fair value of certain in-kind donations as an expense in its financial statements, and similarly increase contribution revenue by a like amount. For the years ended June 30, 2020 and 2019, donated rent and utilities of \$572,141 and \$572,142, respectively, donated food of \$27,906 and \$41,282, respectively, and donated personal protective equipment (PPE) of \$8,951 and \$0, respectively, were received as in-kind contributions.

Income Taxes

JCCGCI is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law. However, JCCGCI is subject to federal income tax on any unrelated business taxable income. JCCGCI files tax returns in the U.S. federal jurisdiction.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statements of activities. Certain costs have been allocated among the program, management and general and fundraising categories based on the square footage and other methods.

Rent Expense

JCCGCI leases space at various locations. All leases are operating leases, and the expense is recognized on the first day of each month for the current month's rent. All leases are reflected on the straight-line basis. Deferred rent is recorded when there is a material difference between the fixed payment and the straight-line rent expense.

Advertising

Advertising costs are expensed as incurred. Advertising expenses for the years ended June 30, 2020 and 2019 were \$56,912 and \$57,200, respectively.

Subsequent Events

Subsequent events have been evaluated through February 23, 2021, which is the date the financial statements were available to be issued.

Jewish Community Council of Greater Coney Island Inc.

Notes to Financial Statements

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Note 2: Change in Accounting Principle

Topic 606 – Revenue from Contracts with Customers

On July 1, 2019, JCCGCI adopted the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606) (ASU 2014-09), using a modified retrospective method of adoption to all contracts with customers at July 1, 2019.

The core guidance in ASU 2014-09 is to recognize revenue to depict the transfer of promised services to customers in amounts that reflect the consideration to which JCCGCI expects to be entitled in exchange for those services.

The amount to which JCCGCI expects to be entitled is calculated as the transaction price and recorded as revenue in exchange for providing goods or services.

Adoption of ASU 2014-09 resulted in changes in presentation of financial statements and related disclosures in the notes to the financial statements. The adoption of the standard resulted in a net change in revenue presentation on the statements of activities. In addition, see *Note 3* for additional disclosures. However, JCCGCI's adoption of ASU 2014-09 did not result in a change of the timing of revenue recognition.

Note 3: Revenue from Contracts with Customers

Transaction Price and Recognition

JCCGCI determines the transaction price based on standard charges for services provided, reduced by discounts provided in accordance with JCCGCI's policy. JCCGCI determines its estimates of explicit price concessions based on its discount policies. JCCGCI determines its estimate of implicit price concessions based on its historical collection experience with this class of customers. Payments are typically due at the end of the contract term and does not have a significant financial component. Sometimes the consideration amounts are variable, therefore, subsequent changes to the estimate of the transaction price are generally recorded as adjustments to revenue in the period of the change.

For the year ended June 30, 2020, JCCGCI recognized revenue of \$95,699 from services that transfer to the customers over time.

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Notes to Financial Statements

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Performance Obligations and Transaction Price Allocated to Remaining Performance Obligations

Because all of its performance obligations relate to contracts with a duration of less than one year, JCCGCI has elected to apply the optional exemption provided in FASB Accounting Standards Codification (ASC) 606-10-50-14(a) and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The performance obligations referred to above are primarily related to participant fees and outsourced IT services. There were no unsatisfied or partially unsatisfied performance obligations as of June 30, 2020.

Note 4: Investments and Fair Value Measurements

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Recurring Measurements

The following table presents the fair value measurements of assets recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2020 and 2019:

| | <u>2020</u> | <u>2019</u> |
|--------------------------------|-------------------|-------------------|
| FJC Agency Loan Fund - Level 2 | <u>\$ 829,179</u> | <u>\$ 804,675</u> |

Jewish Community Council of Greater Coney Island Inc.

Notes to Financial Statements

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The following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the years ended June 30, 2020 and 2019.

FJC Agency Loan Fund: Valued based upon the cash liquidation value as provided by the manager of the fund.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

Level 2 Gains and Losses

The table below sets forth a summary of changes in the fair value of JCCGCI's Level 2 assets for the years ended June 30, 2020 and 2019:

| | 2020 | 2019 |
|------------------------------|-------------------|-------------------|
| FJC Agency Loan Fund | | |
| Balance, beginning of year | \$ 804,675 | \$ 772,922 |
| Interest income (reinvested) | 32,706 | 39,625 |
| Fees | (8,202) | (7,872) |
| Balance, end of year | <u>\$ 829,179</u> | <u>\$ 804,675</u> |

Agency Loan Fund

Participation in a pool of loans made to not-for-profit entities providing interest income on a quarterly basis.

| 2020 Fair Value | 2019 Fair Value | Unfunded Commitments | Redemption Frequency | Redemption Notice Period |
|--------------------|--------------------|-------------------------|-------------------------|-----------------------------|
| <u>\$ 829,179</u> | <u>\$ 804,675</u> | <u>\$ -</u> | N/A | 5 days |

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Note 5: Corporate and Foundation Grants

Included in corporate and foundation grants are amounts received and expended from the Conference on Jewish Material Claims Against Germany, Inc. for Holocaust-related programs including the German Government Grant. Amounts recognized in revenue for the years ended June 30, 2020 and 2019 totaled \$26,029,464 and \$20,114,740, respectively.

Note 6: Occupancy

JCCGCI occupies a portion of an office building, which includes its main office along with one of its senior centers without incurring rent and related costs. The building is rented by the City of New York Department of Citywide Administrative Services, which donates the space to JCCGCI. The lease between the City of New York and the landlord expires on May 31, 2022. \$268,541 and \$268,542 of rent and utilities paid by the City of New York has been included in these financial statements as an in-kind contribution for the years ended June 30, 2020 and 2019, respectively.

Additionally, two of JCCGCI's senior centers receive donated space in buildings owned by the New York City Housing Authority (NYCHA). This amount has been included in these financial statements as an in-kind contribution for each of the years ended June 30, 2020 and 2019, at an estimated value of \$303,600.

In addition to multiple short-term operating leases (less than one year), JCCGCI has nine operating lease agreements extending beyond the fiscal year-end, including four leases that were entered into subsequent to year-end. These leases expire at various dates from 2021 through 2028.

The following are the total future minimum rental payments required under the operating leases:

| Year Ended | |
|-------------------|---------------------|
| June 30 | |
| 2021 | \$ 583,705 |
| 2022 | 556,302 |
| 2023 | 242,354 |
| 2024 | 116,405 |
| 2025 | 120,925 |
| Thereafter | <u>293,722</u> |
| | <u>\$ 1,913,413</u> |

Total rent expense for the years ended June 30, 2020 and 2019 was \$1,289,697 and \$1,235,941, respectively.

Jewish Community Council of Greater Coney Island Inc.

Notes to Financial Statements

June 30, 2020 and 2019

Note 7: Fixed Assets

| | 2020 | 2019 |
|--------------------------|---------------------|---------------------|
| Furniture and equipment | \$ 2,400,487 | \$ 2,330,422 |
| Leasehold improvements | 1,636,449 | 1,606,093 |
| Construction in progress | 224,625 | 139,723 |
| | <u>4,261,561</u> | <u>4,076,238</u> |
| Accumulated depreciation | (1,804,404) | (1,595,306) |
| Accumulated amortization | <u>(1,331,479)</u> | <u>(1,213,661)</u> |
| | <u>(3,135,883)</u> | <u>(2,808,967)</u> |
| | <u>\$ 1,125,678</u> | <u>\$ 1,267,271</u> |

Included in furniture and equipment is \$355,500 of vehicles, which are subject to a lien from the Department for the Aging (DFTA) and \$115,766 of equipment, which is subject to a lien from the NYC Department of Design and Construction (DDC). These liens state that, in the event of program termination, the assets purchased from grant funds will be returned to the funding source.

Note 8: Conditional Grants and Future Commitments

JCCGCI receives its grant support through periodic claims filed with the respective funding sources, not to exceed a limit specified in the funding agreement. Since the financial statements of JCCGCI are prepared on the accrual basis, all earned portions of the grants not yet received as of June 30, 2020 have been recorded as receivables. The following are the grant commitments that extend beyond June 30, 2020:

| Conditional Promise to Give/Grant | Term | Grant Amount | Earned or Expired Through 2020 | Funding Available |
|-----------------------------------|---------------------------|----------------------|--------------------------------|----------------------|
| Corporate and Foundational Grants | Various between FY20-FY21 | \$ 27,395,701 | \$ 12,698,644 | \$ 14,697,057 |
| New York City Agencies | Various between FY18-FY23 | 23,876,663 | 8,820,387 | 15,056,276 |
| New York State Agencies | Various between FY16-FY24 | 4,159,334 | 1,899,520 | 2,259,814 |
| | | <u>\$ 55,431,698</u> | <u>\$ 23,418,551</u> | <u>\$ 32,013,147</u> |

In addition to the multi-year grants, JCCGCI also has one year contracts for fiscal year 2021 with various agencies which total approximately \$3,600,000.

Jewish Community Council of Greater Coney Island Inc.

Notes to Financial Statements

June 30, 2020 and 2019

Note 9: Net Assets

Net Assets with Donor Restrictions

Net assets with donor restrictions at June 30 are restricted for the following purposes:

| | 2020 | 2019 |
|---|-------------------|-------------------|
| After school programs | \$ 60 | \$ 11,800 |
| Camp scholarships | 9,938 | 3,535 |
| Capacity building | 24,588 | 78,196 |
| Emergency Relief | 79 | - |
| Food pantry | 3 | 81 |
| Food pantry - Passover | 24,449 | 17,766 |
| Friendly visiting | 5,275 | 5,143 |
| Homecare | 67,755 | 84,819 |
| Horizons academy | 160,317 | 119,028 |
| Matching for Claims Conference/Holocaust services | 131,530 | 216,670 |
| Senior programs | 2,396 | 5,151 |
| Sunday program | 2,031 | 18,816 |
| Transportation | 21,295 | 54,930 |
| Urban Neighborhood Services | 840 | 62 |
| COVID-10 relief and assistance | 51,843 | - |
| Hurricane Sandy - Rebuilding | 175,433 | 176,951 |
| | <u>\$ 677,832</u> | <u>\$ 792,948</u> |

Jewish Community Council of Greater Coney Island Inc.

Notes to Financial Statements

June 30, 2020 and 2019

Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the following restricted purposes:

| | 2020 | 2019 |
|---|-------------------|-------------------|
| After school programs | \$ 11,740 | \$ 6,492 |
| Camp scholarships | 9,765 | 14,807 |
| Capacity building | 53,608 | 53,229 |
| Club 2600 | 150 | - |
| Emergency relief | - | 244 |
| Food pantry | 78 | 40 |
| Food pantry - Passover | 2,107 | 19,930 |
| Friendly visiting | 868 | 74 |
| Homecare | 97,068 | 25,925 |
| Horizons academy | 71,211 | 95,007 |
| Matching for Claims Conference/Holocaust services | 139,013 | 150,844 |
| Senior programs | 4,322 | 11,842 |
| Sunday program | 45,249 | 25,773 |
| Transportation | 79,081 | 188,851 |
| Urban Neighborhood Services | 223 | 397 |
| Vocational services | 4,000 | - |
| COVID-19 relief and assistance | 46,986 | - |
| Hurricane Sandy - Victim Assistance | - | 2,948 |
| Hurricane Sandy - Rebuilding | 1,618 | 2,226 |
| | <u>\$ 567,087</u> | <u>\$ 598,629</u> |

Note 10: Retirement Plan

JCCGCI has a 403(b) plan for employees. JCCGCI does not contribute to the plan.

Jewish Community Council of Greater Coney Island Inc.

Notes to Financial Statements

June 30, 2020 and 2019

Note 11: Line of Credit

On January 23, 2020 JCCGCI reestablished their \$400,000 line of credit, which had expired on June 1, 2019. The line of credit bears interest at 7.951 percent plus the British Bankers Association (BBA) LIBOR, for an effective interest rate of 8.14113 percent as of June 30, 2020. Interest expense for both the years ended June 30, 2020 and 2019 was \$0. If applicable, interest is recorded in dues, fees, subscriptions, honoraria and workshops in the statements of functional expenses. The line is secured by all business assets, inventory, equipment, general intangibles, chattel paper, documents, instruments and letter of credit rights of JCCGCI, as applicable. The line expired on January 23, 2021. JCCGCI is currently in the process of renewing this line of credit. Fees for maintaining the open line totaled \$750 and \$0 in the years ended June 30, 2020 and 2019, respectively, as the 2019 fees were waived. There were no proceeds, payments or outstanding balances on the line of credit as of, and for the years ended June 30, 2020 and 2019.

Note 12: Long-Term Debt

On March 27, 2020, President Trump signed into law the *Coronavirus Aid, Relief, and Economic Security Act*. On April 7, 2020, JCCGCI received a loan in the amount of \$2,717,053 pursuant to the Paycheck Protection Program (PPP). JCCGCI has elected to account for the finding as a loan in accordance with ASC Topic 470, *Debt*. The loan is due two years from the date of the first disbursement under the loan and has a fixed interest rate of 1 percent per year.

Aggregate annual maturities of loans payable as of June 30, 2020 are:

| <u>Year Ended</u> <u>June 30</u> | |
|-------------------------------------|---------------------|
| 2021 | \$ - |
| 2022 | <u>2,717,053</u> |
| | <u>\$ 2,717,053</u> |

Any forgiveness of the loan will be recognized as a gain in the financial statements in the period the debt is legally released. PPP loans are subject to audit and acceptance by the U.S. Department of Treasury, Small Business Administration, or lender; as a result of such audit, adjustments could be required to any gain recognized.

Jewish Community Council of Greater Coney Island Inc.

Notes to Financial Statements

June 30, 2020 and 2019

Note 13: Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2020 and 2019, comprise the following:

| | <u>2020</u> | <u>2019</u> |
|---|----------------------|---------------------|
| Total financial assets (excludes prepaid and other current assets and property and equipment) | \$ 11,873,445 | \$ 10,038,655 |
| Donor imposed restrictions | | |
| Restricted funds | <u>(677,832)</u> | <u>(792,948)</u> |
| Net financial assets after donor imposed restrictions | 11,195,613 | 9,245,707 |
| Internal designations | | |
| Board-designated | <u>(79,577)</u> | <u>(78,792)</u> |
| Financial assets available to meet cash needs for general expenditures within one year | <u>\$ 11,116,036</u> | <u>\$ 9,166,915</u> |

The board-designated fund had a balance of \$79,577 and \$78,792 at June 30, 2020 and 2019, respectively. Although JCCGCI does not intend to spend from this fund, these amounts could be made available if necessary.

JCCGCI manages its liquidity following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term expenditures and operating needs and maintaining sufficient liquidity to provide reasonable assurance that long-term obligations will be discharged. JCCGCI monitors liquidity and cash flow on an ongoing basis to ensure an appropriate amount of cash and cash equivalents are available to meet current expenditure needs.

Note 14: Significant Estimates, Concentrations and Contingencies

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Cash

Financial instruments which potentially subject the organization to a concentration of credit risk are cash accounts with financial institutions in New York City which during the year had balances in excess of FDIC insurance limits. At June 30, 2020, JCCGCI's cash accounts exceeded federally insured limits by approximately \$7,155,000.

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Notes to Financial Statements

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Investments

JCCGCI invests in investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near-term and that such change could materially affect the amounts reported in the accompanying statements of financial position.

Grants

Grant revenues are primarily from the Conference on Jewish Material Claims Against Germany, Inc. (64 percent and 57 percent for the years ended June 30, 2020 and 2019, respectively), and New York City agencies (29 percent and 31 percent for the years ended June 30, 2020 and 2019, respectively). Grant receivables are primarily from New York City agencies (70 percent and 40 percent as of June 30, 2020 and 2019, respectively), and the conference on Jewish Material Claims Against Germany, Inc. (0 percent and 45 percent as of June 30, 2020 and 2019, respectively).

JCCGCI receives grants from various state and city government agencies performed under contracts. Such contracts are subject to governmental compliance audits from the granting agencies, as well as the New York State Office of the Attorney General, the Internal Revenue Service and the New York State Department of Charities Registration, and may, from time-to-time, result in adjustments to fees and grants received. In the opinion of JCCGCI, the disposition of all such matters should not have a material effect on JCCGCI's financial position or change in net assets.

General Litigation

JCCGCI is subject to claims and lawsuits that arise primarily in the ordinary course of its activities. It is the opinion of management the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the financial position, change in net assets and cash flows of JCCGCI. Events could occur that would change this estimate materially in the near-term.

Note 15: Change in Net Assets

For the year ended June 30, 2020, JCCGCI incurred a loss of \$494,006. The loss can be broken out as follows:

- \$115,116 – relating to current year releases of previous years' donor-restricted contributions. Revenue and expenses are not always recorded in the same period since revenue is recorded when received and expenses only when incurred.
- \$189,046 – relating to the write-off of a previous grant awarded by DDC. JCCGCI expended the funds on equipment in accordance with the grant award. However, due to delays in registration of the grant by the DDC, DDC indicated that they would be unable to reimburse JCCGCI for those expenditures.

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- \$189,844 – relating to JCCGCI's expenditures under the Small Business Administration (SBA) PPP loan. As noted in *Note 12* of these financial statements, in accordance with ASC Topic 470, these PPP outlays are recorded as expenses for the year ending June 30, 2020, while any gains that may ultimately result from forgiveness of all or a portion of the PPP loan will not be recognized until the future period in which the loan is legally released by the SBA.

It should be noted that the items listed above did not negatively impact current year programming or operations.

Note 16: Future Change in Accounting Principles

Accounting for Leases

FASB amended its standard related to the accounting for leases. Under the new standard, lessees will now be required to recognize substantially all leases on the statements of financial position as both a right-of-use asset and a liability. The standard has two types of leases for statements of activities recognition purposes: operating leases and finance leases. Operating leases will result in the recognition of a single lease expense on a straight-line basis over the lease term similar to the treatment for operating leases under existing standards. Finance leases will result in an accelerated expense similar to the accounting for capital leases under existing standards. The determination of lease classification as operating or finance will be done in a manner similar to existing standards. The new standard also contains amended guidance regarding the identification of embedded leases in service contracts and the identification of lease and nonlease components in an arrangement. The new standard is effective for annual periods beginning after December 15, 2021, and any interim periods within annual reporting periods that begin after December 15, 2022. JCCGCI is evaluating the effect the standard will have on the financial statements; however, the standard is expected to have a material effect on the financial statements due to the recognition of additional assets and liabilities for operating leases.