

Jewish Community Council of Greater Coney Island Inc.

Independent Auditor's Report and Financial Statements

June 30, 2021 and 2020



Jewish Community Council of Greater Coney Island Inc.
June 30, 2021 and 2020

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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, 2021 and 2020, 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, 2021 and 2020, 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
March 28, 2022

Jewish Community Council of Greater Coney Island Inc.

Statements of Activities

Years Ended June 30, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Other Support						
Grants						
Government	\$ 13,994,730	\$ -	\$ 13,994,730	\$ 13,682,242	\$ -	\$ 13,682,242
Corporate and foundation	29,859,917	-	29,859,917	27,234,816	-	27,234,816
Contributions						
Corporate and foundation	57,300	619,400	676,700	68,300	393,000	461,300
General public	52,841	59,268	112,109	10,040	53,521	63,561
Participant contributions	39,047	4,822	43,869	140,890	5,450	146,340
Participant fees	32,985	-	32,985	69,711	-	69,711
In-kind contributions	650,278	-	650,278	608,998	-	608,998
Other income	267,690	-	267,690	11,635	-	11,635
Interest income (net of fees of \$8,378 and \$8,202 in 2021 and 2020, respectively)	41,719	-	41,719	37,668	-	37,668
Net assets released from restrictions	688,814	(688,814)	-	567,087	(567,087)	-
	<u>45,685,321</u>	<u>(5,324)</u>	<u>45,679,997</u>	<u>42,431,387</u>	<u>(115,116)</u>	<u>42,316,271</u>
Total revenues and other support						
Expenses						
Program services	42,369,506	-	42,369,506	39,630,559	-	39,630,559
Supporting services	3,184,388	-	3,184,388	3,179,718	-	3,179,718
	<u>45,553,894</u>	<u>-</u>	<u>45,553,894</u>	<u>42,810,277</u>	<u>-</u>	<u>42,810,277</u>
Total expenses						
Change in Net Assets	131,427	(5,324)	126,103	(378,890)	(115,116)	(494,006)
Net Assets, Beginning of Year	<u>1,769,277</u>	<u>677,832</u>	<u>2,447,109</u>	<u>2,148,167</u>	<u>792,948</u>	<u>2,941,115</u>
Net Assets, End of Year	<u>\$ 1,900,704</u>	<u>\$ 672,508</u>	<u>\$ 2,573,212</u>	<u>\$ 1,769,277</u>	<u>\$ 677,832</u>	<u>\$ 2,447,109</u>

Jewish Community Council of Greater Coney Island Inc.
Statement of Functional Expenses
Year Ended June 30, 2021

	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 and Education	Total	Management and General	Fundraising	Total	2021
Salaries	\$ 435,297	\$ 942,937	\$ 26,759	\$ 1,004,189	\$ 600,609	\$ 1,091,054	\$ 2,930,334	\$ 1,520,162	\$ 365,556	\$ 67,741	\$ 233,695	\$ 965,142	\$ 82,603	\$ 46,519	\$ 13,859	\$ 111,951	\$ 10,438,407	\$ 1,951,851	\$ 49,222	\$ 2,001,073	\$ 12,439,480
Payroll taxes and employee benefits	66,043	129,619	3,781	178,961	111,843	201,989	405,134	297,805	80,895	7,166	51,444	144,158	14,492	8,080	1,201	14,064	1,716,675	344,170	25,324	369,494	2,086,169
Occupancy	-	73,016	-	9,417	5,769	5,315	444,140	656,448	8,842	-	3,846	70,350	6,726	2,784	-	-	1,286,653	72,383	-	72,383	1,359,036
Program supplies and expenses	6,727	70,804	3,715	8,672	-	44	5,805	27,418	2,411	-	30,112	111,612	17	640	-	5,805	273,782	4,070	100	4,170	277,952
Office supplies and expenses	2,250	1,162	-	2,102	7	1,236	71,109	18,145	1,393	-	2,702	9,211	115	-	-	-	109,432	57,160	3,289	60,449	169,881
Equipment and maintenance	7,062	6,798	429	72,056	33,922	29,673	77,969	50,703	395	125	1,363	25,970	482	-	-	666	307,613	110,234	-	110,234	417,847
Telephone and postage	832	1,339	34	13,633	1,582	8,121	16,851	27,390	200	105	4,283	10,232	1,318	389	-	4,259	90,568	21,171	1,387	22,558	113,126
Automotive expense	-	-	-	-	-	105,499	-	-	38,643	-	-	-	-	-	-	-	144,142	-	-	-	144,142
Printing and advertising	180	577	-	27,490	-	525	39,048	1,872	-	-	-	85	-	-	-	2,277	72,054	450	16,174	16,624	88,678
Participant stipends	-	-	-	5,058	-	-	-	-	-	-	-	15,060	-	-	-	-	20,118	-	-	-	20,118
Recreational and educational consultants	-	-	-	8,600	-	-	-	88,021	-	-	1,000	-	-	-	-	-	97,621	-	-	-	97,621
Professional fees	1,055	27,349	-	21,419	832	43	226,528	5,243	4,850	19,778	178	2,396	14	-	30	13,994	323,709	126,763	198,382	325,145	648,854
Food/congregate food expense	-	-	2,909	-	-	-	-	174,108	379,139	-	8,089	-	-	-	-	195,161	759,406	1,561	-	1,561	760,967
Transportation services	-	41,000	-	-	-	46,470	-	-	-	-	-	1,793	-	-	-	10,450	99,713	-	-	-	99,713
Senior citizen transportation services	-	-	-	-	-	1,336,074	-	-	-	-	56	-	-	-	-	-	1,336,130	-	-	-	1,336,130
Senior citizen homecare	-	-	-	-	23,846,910	-	-	-	-	-	-	-	-	-	-	-	23,846,910	-	-	-	23,846,910
Staff travel	-	-	-	-	-	-	429	-	-	-	-	-	-	-	-	-	429	-	-	-	429
Insurance	-	-	-	-	-	-	-	-	-	2,723	-	239	-	-	-	-	2,962	84,679	-	84,679	87,641
Dues, fees, subscriptions, honoraria and workshop registration	225	89	43	14	28	463	4,171	4,078	42	780	449	2,246	92	-	-	-	12,720	55,890	3,703	59,593	72,313
Camp scholarships	-	-	4,750	-	-	-	-	-	-	-	-	-	-	-	-	-	4,750	-	-	-	4,750
Depreciation and amortization	2,822	7,040	358	7,705	133,776	47,047	58,687	15,263	4,799	535	3,523	7,256	576	318	82	5,339	295,126	26,411	3,017	29,428	324,554
Vocational training	-	-	-	-	-	-	378,265	-	-	-	-	-	-	-	-	-	378,265	-	-	-	378,265
Subcontracting	-	-	-	66,000	-	-	282,783	-	-	-	-	-	-	-	-	210,067	558,850	-	-	-	558,850
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	26,997	-	26,997	26,997
Emergency relief distribution	-	-	23,471	-	-	-	-	-	-	-	-	-	-	-	-	170,000	193,471	-	-	-	193,471
Total expenses reported on the statements of activities	\$ 522,493	\$ 1,301,730	\$ 66,249	\$ 1,425,316	\$ 24,735,278	\$ 2,873,553	\$ 4,941,253	\$ 2,886,656	\$ 887,165	\$ 98,953	\$ 340,740	\$ 1,365,750	\$ 106,435	\$ 58,730	\$ 15,172	\$ 744,033	\$ 42,369,506	\$ 2,883,790	\$ 300,598	\$ 3,184,388	\$ 45,553,894

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	<u>\$ 566,692</u>	<u>\$ 1,343,160</u>	<u>\$ 36,113</u>	<u>\$ 1,299,294</u>	<u>\$ 22,960,951</u>	<u>\$ 2,908,673</u>	<u>\$ 4,182,872</u>	<u>\$ 3,682,596</u>	<u>\$ 901,897</u>	<u>\$ 104,475</u>	<u>\$ 331,609</u>	<u>\$ 1,083,829</u>	<u>\$ 95,588</u>	<u>\$ 37,320</u>	<u>\$ 15,301</u>	<u>\$ 80,189</u>	<u>\$ 39,630,559</u>	<u>\$ 2,940,315</u>	<u>\$ 239,403</u>	<u>\$ 3,179,718</u>	<u>\$ 42,810,277</u>

Jewish Community Council of Greater Coney Island Inc.
Statements of Financial Position
June 30, 2021 and 2020

	2021	2020
Assets		
Current Assets		
Cash	\$ 6,905,285	\$ 7,523,012
Cash, board-designated	79,843	79,577
Investment, FJC Agency Loan Fund	845,422	829,179
Grants receivable	5,066,762	3,441,677
Contributions receivable	110,000	-
Prepaid and other current assets	123,762	119,465
	<hr/>	<hr/>
Total current assets	13,131,074	11,992,910
Property and equipment, net	934,239	1,125,678
	<hr/>	<hr/>
Total assets	<u>\$ 14,065,313</u>	<u>\$ 13,118,588</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 8,015,569	\$ 6,571,350
Accrued vacation	396,756	376,847
Grant advances	362,723	1,006,229
Loan payable	1,766,692	-
	<hr/>	<hr/>
Total current liabilities	10,541,740	7,954,426
Loan payable	950,361	2,717,053
	<hr/>	<hr/>
Total liabilities	11,492,101	10,671,479
	<hr/>	<hr/>
Net Assets		
Without donor restrictions		
Undesignated	886,622	564,022
Board-designated	79,843	79,577
Invested in property and equipment	934,239	1,125,678
	<hr/>	<hr/>
Total net assets without donor restrictions	1,900,704	1,769,277
With donor restrictions		
Purpose restrictions	672,508	677,832
	<hr/>	<hr/>
Total net assets	2,573,212	2,447,109
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Total liabilities and net assets	<u>\$ 14,065,313</u>	<u>\$ 13,118,588</u>

Jewish Community Council of Greater Coney Island Inc.

Statements of Cash Flows

Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating Activities		
Change in net assets	\$ 126,103	\$ (494,006)
Items not requiring operating cash flows		
Depreciation and amortization	324,554	354,627
Loss on disposal of property and equipment	30	14,353
Donated property and equipment	(53,752)	-
Provision for bad debt	-	189,046
Changes in		
Grants receivable	(1,625,085)	4,300,781
Contributions receivable	(10,000)	50,000
Prepaid and other assets	(4,297)	(36,934)
Accounts payable and accrued expenses	1,444,219	(1,606,711)
Accrued vacation	19,909	115,846
Grant advances	(643,506)	997,949
Net cash provided by (used in) operating activities	<u>(421,825)</u>	<u>3,884,951</u>
Investing Activities		
Capital expenditures	(79,393)	(227,387)
Purchase of investments	<u>(16,243)</u>	<u>(24,504)</u>
Net cash used in investing activities	<u>(95,636)</u>	<u>(251,891)</u>
Financing Activities		
Proceeds from contributions receivable	(100,000)	-
Proceeds from loan	<u>-</u>	<u>2,717,053</u>
Net cash provided by (used in) financing activities	<u>(100,000)</u>	<u>2,717,053</u>
Net Change in Cash	(617,461)	6,350,113
Cash, Beginning of Year	<u>7,602,589</u>	<u>1,252,476</u>
Cash, End of Year	<u><u>\$ 6,985,128</u></u>	<u><u>\$ 7,602,589</u></u>
Reconciliation of Cash, End of Year		
Cash	\$ 6,905,285	\$ 7,523,012
Cash, board designated	<u>79,843</u>	<u>79,577</u>
	<u><u>\$ 6,985,128</u></u>	<u><u>\$ 7,602,589</u></u>

Jewish Community Council of Greater Coney Island Inc.

Notes to Financial Statements

June 30, 2021 and 2020

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.

As the COVID-19 pandemic continued, JCCGCI continued to focus and adapt their programs and services to a revised level of functionality, including expanded COVID-19 assistance and education.

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, 2021 and 2020. 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, 2021 and 2020

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, 2021 and 2020, 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, 2021 and 2020

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.

Notes to Financial Statements

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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, 2021 and 2020, donated rent and utilities of \$572,141, donated food of \$70,390 and \$27,906, respectively, and donated personal protective equipment (PPE) of \$7,747 and \$8,951, 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, 2021 and 2020 were \$56,096 and \$56,912, respectively.

Subsequent Events

Subsequent events have been evaluated through March 28, 2022, 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: Contributions Receivable

Contributions and pledges receivable consisted of the following:

	2021	
	Without Donor Restrictions	With Donor Restrictions
Due within one year	\$ 10,000	\$ 100,000

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 years ended June 30, 2021 and 2020, JCCGCI recognized revenue of \$70,744 and \$95,699, respectively, from services that transfer to the customers over time.

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 the Financial Accounting Standards Board (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, 2021 and 2020.

Jewish Community Council of Greater Coney Island Inc.

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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, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
FJC Agency Loan Fund - Level 2	<u>\$ 845,422</u>	<u>\$ 829,179</u>

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, 2021 and 2020.

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

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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, 2021 and 2020:

	2021	2020
FJC Agency Loan Fund		
Balance, beginning of year	\$ 829,179	\$ 804,675
Interest income (reinvested)	24,621	32,706
Fees	(8,378)	(8,202)
Balance, end of year	<u>\$ 845,422</u>	<u>\$ 829,179</u>

Agency Loan Fund

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

2021 Fair Value	2020 Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
<u>\$ 845,422</u>	<u>\$ 829,179</u>	<u>\$ -</u>	N/A	5 days

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, 2021 and 2020 totaled \$28,144,978 and \$26,029,464, 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 of rent and utilities paid by the City of New York has been included in these financial statements as an in-kind contribution for both the years ended June 30, 2021 and 2020.

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, 2021 and 2020, at an estimated value of \$303,600.

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In addition to multiple short-term operating leases (less than one year), JCCGCI has 11 operating lease agreements extending beyond the fiscal year-end, including two leases that were entered into subsequent to year-end. These leases expire at various dates from 2022 through 2028.

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

Year Ended June 30	
2022	\$ 704,839
2023	308,862
2024	194,699
2025	201,569
2026	207,345
Thereafter	<u>623,660</u>
	<u>\$ 2,240,974</u>

Total rent expense for the years ended June 30, 2021 and 2020 was \$1,306,546 and \$1,289,697, respectively.

Note 7: Fixed Assets

	2021	2020
Furniture and equipment	\$ 2,454,468	\$ 2,400,487
Leasehold improvements	1,674,669	1,636,449
Software	247,500	-
Construction in progress	<u>4,860</u>	<u>224,625</u>
	<u>4,381,497</u>	<u>4,261,561</u>
Accumulated depreciation	(1,982,881)	(1,804,404)
Accumulated amortization	<u>(1,464,377)</u>	<u>(1,331,479)</u>
	<u>(3,447,258)</u>	<u>(3,135,883)</u>
	<u>\$ 934,239</u>	<u>\$ 1,125,678</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.

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Notes to Financial Statements

June 30, 2021 and 2020

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, 2021 have been recorded as receivables. The grant commitments will be recognized into revenue as allowable expenses are incurred or milestones are achieved. The following are the grant commitments that extend beyond June 30, 2021:

Conditional Promise to Give/Grant	Term	Grant Amount	Earned or Expired Through 2021	Funding Available
Corporate and Foundational Grants	Various between FY21-FY24	\$ 30,563,537	\$ 14,195,585	\$ 16,367,952
New York City Agencies	Various between FY19-FY26	45,184,478	11,710,062	33,474,416
New York State Agencies	Various between FY18-FY25	9,062,966	2,463,186	6,599,780
		<u>\$ 84,810,981</u>	<u>\$ 28,368,833</u>	<u>\$ 56,442,148</u>

In addition to the multi-year grants, JCCGCI also has one year contracts for fiscal year 2022 with various agencies which total approximately \$1,965,000.

In addition to revenue commitments, JCCGCI also has subcontracts that extended beyond June 30, 2021. The maximum contingent expense available for fiscal year 2022 is approximately \$200,000 that is contingent upon the subcontractors achieving the milestones.

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Notes to Financial Statements

June 30, 2021 and 2020

Note 9: Net Assets

Net Assets with Donor Restrictions

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

	2021	2020
After school programs	\$ 60	\$ 60
Camp scholarships	7,096	9,938
Capacity building	-	24,588
Emergency Relief	705	79
Food pantry	-	3
Food pantry - Passover	17,426	24,449
Friendly visiting	5,259	5,275
Homecare	22,971	67,755
Horizons academy	104,275	160,317
Matching for Claims Conference/Holocaust services	102,022	131,530
Senior programs	5,145	2,396
Sunday program	13,629	2,031
Transportation	184,324	21,295
Urban Neighborhood Services	2,485	840
COVID-19 relief and assistance	32,438	51,843
Vocational Services	5,000	-
Club 2600	420	-
Home delivered meals	1,014	-
Hurricane Sandy - Rebuilding	168,239	175,433
	<u>\$ 672,508</u>	<u>\$ 677,832</u>

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Notes to Financial Statements

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Net Assets Released from Restrictions

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

	2021	2020
After school programs	\$ -	\$ 11,740
Camp scholarships	10,084	9,765
Capacity building	24,588	53,608
Club 2600	1,080	150
Emergency relief	360	-
Food pantry	3	78
Food pantry - Passover	23,180	2,107
Friendly visiting	2,666	868
Homecare	74,747	97,068
Horizons academy	63,542	71,211
Matching for Claims Conference/Holocaust services	96,501	139,013
Senior programs	1,072	4,322
Sunday program	10,402	45,249
Transportation	81,830	79,081
Urban Neighborhood Services	110	223
Vocational services	14,111	4,000
COVID-19 relief and assistance	277,344	46,986
Hurricane Sandy - Rebuilding	7,194	1,618
	<u>\$ 688,814</u>	<u>\$ 567,087</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

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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 bore interest at 7.951 percent plus the British Bankers Association (BBA) LIBOR. The line of credit was extended on April 19, 2021 with new expiration date of April 19, 2022. The line of credit bears interest rate at 5.889 percent plus the British Bankers Association (BBA) LIBOR, for an effective interest rate of 8.889 percent as of June 30, 2021. Subsequent to year-end, LIBOR was replaced by Secured Overnight Financing Rate (SOFR). Interest expense for both the years ended June 30, 2021 and 2020 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. Fees for maintaining the open line totaled \$750 and \$0 in the years ended June 30, 2021 and 2020, respectively. There were no proceeds, payments or outstanding balances on the line of credit as of, and for the years ended June 30, 2021 and 2020.

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. Subsequent to year-end, the loan was modified to become due five years from the date of the original disbursement date of the loan. JCCGCI has applied for loan forgiveness but the loan has yet to be forgiven.

Aggregate annual maturities of loans payable as of June 30, 2021 are:

<u>Year Ended</u> <u>June 30</u>	
2022	\$ 1,766,692
2023	322,673
2024	325,883
2025	<u>301,805</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.

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Notes to Financial Statements

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Note 13: Employee Retention Tax Credit

The *Coronavirus Aid, Relief, and Economic Security Act*, and subsequent legislation, provides a refundable employee retention tax credit to eligible employers who meet either a gross receipts test or a government mandate test. The tax credit is equal to a specified percentage of qualified wages paid to employees subject to certain limits. JCCGCI has elected to account for these employee retention credits in accordance with ASC 958-605. JCCGCI has determined it qualifies for the tax credit and has claimed ERCs of \$229,961 and \$0, respectively, during the years ended June 30, 2021 and 2020. The following financial statement line items were affected by these transactions:

- Statements of activities – Other income

Laws and regulations concerning the employee retention credit are complex and subject to varying interpretation. These credits may be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge JCCGCI's claim to the employee retention credit, and it is not possible to determine the impact this would have on JCCGCI. Subsequent to year-end, JCCGCI received \$231,623 of employee retention tax credits for the fourth quarter of fiscal year 2021 that was not recognized as revenue as they did not meet all of the conditions as of June 30, 2021.

Note 14: 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, 2021 and 2020, comprise the following:

	2021	2020
Total financial assets (excludes prepaid and other current assets and property and equipment)	\$ 13,007,312	\$ 11,873,445
Donor-imposed restrictions		
Restricted funds	(672,508)	(677,832)
Net financial assets after donor-imposed restrictions	12,334,804	11,195,613
Internal designations		
Board-designated	(79,843)	(79,577)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 12,254,961</u>	<u>\$ 11,116,036</u>

The board-designated fund had a balance of \$79,843 and \$79,577 at June 30, 2021 and 2020, respectively. Although JCCGCI does not intend to spend from this fund, these amounts could be made available if necessary.

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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 15: 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, 2021, JCCGCI's cash accounts exceeded federally insured limits by approximately \$6,900,000.

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 for the years ended June 30, 2021 and 2020), and New York City agencies (28 percent and 29 percent for the years ended June 30, 2021 and 2020, respectively). Grant receivables are primarily from New York City agencies (67 and 70 percent as of June 30, 2021 and 2020, respectively) and New York State agencies (23 and 24 percent as of June 30, 2021 and 2020, 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.

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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 16: Future Changes 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.

Presentation and Disclosures for Contributed Nonfinancial Assets

On September 17, 2020, FASB issued Accounting Standards Update 2020-07, Topic 958: *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, to increase the transparency of contributed nonfinancial assets through enhancements to presentation and disclosure. The standard requires contributed nonfinancial assets to be presented on a separate line item in the statement of activities, segregated apart from contributions of cash and other financial assets. Additionally, disclosure requirements have been amended to require a disaggregation of the amount of contributed nonfinancial assets recognized within the statements of activities by category that depicts the type of contributed nonfinancial assets, as well as specific disclosure requirements for each category recognized. The amendments in this update will be applied on a retrospective basis and are effective for annual periods beginning after June 15, 2021 and interim periods within annual periods beginning after June 15, 2022. JCCGCI is evaluating the effect the standard will have on the financial statements.