

**JEWISH FAMILY & VOCATIONAL  
SERVICE OF MIDDLESEX COUNTY, INC.**

**December 31, 2021**



**JEWISH FAMILY & VOCATIONAL  
SERVICE OF MIDDLESEX COUNTY, INC.**

**For the Years Ended December 31, 2021 and December 31, 2020**

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Certified Public Accountants, PC

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## Independent Auditors' Report

Board of Directors  
Jewish Family & Vocational Service  
of Middlesex County, Inc.  
North Brunswick, New Jersey

### Opinion

We have audited the accompanying financial statements of Jewish Family & Vocational Service of Middlesex County, Inc. (a non-profit organization) which comprise the Statements of Financial Position as of December 31, 2021 and 2020, and the related Statements of Activities and Changes in Net Assets, Cash Flows and Functional Expenses for the years then ended and the related Notes to the Financial Statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jewish Family & Vocational Service of Middlesex County, Inc. as of December 31, 2021 and 2020 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

### Basis for Opinion

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

### Responsibilities of Management 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, which include 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Jewish Family and Vocational

Service of Middlesex County, Inc's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Jewish Family & Vocational Service of Middlesex County, Inc. internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Jewish Family & Vocational Service of Middlesex County, Inc. ability to continue as a going concern for a reasonable period of time.

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

Other Information

Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedules of Expenditures of Federal Awards, State Financial Assistance and County Financial Assistance, as required by Title 2 U.S. Code of Federal Regulation (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for the purpose of additional analysis, and are not a required part of the basic financial statements. Such information is the responsibility of management and derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information, except for the portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the financial statements, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplemental Information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 18, 2022, on our consideration of Jewish Family & Vocational Service of Middlesex County, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance.

That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jewish Family & Vocational Service of Middlesex County, Inc.'s internal control over financial reporting and compliance.

  
**BKC, CPAs, PC**

May 18, 2022  
Flemington, New Jersey

**JEWISH FAMILY & VOCATIONAL  
SERVICE OF MIDDLESEX COUNTY, INC.  
Statements of Financial Position  
December 31,**

**ASSETS**

	2021	2020
Current assets		
Cash and cash equivalents	\$ 1,171,281	\$ 420,335
Client fees receivable	-	6,237
Grants receivable, net of allowance for doubtful accounts of \$20,000 and \$0 respectively	527,265	915,266
Pledges receivable with in one year	17,464	-
Prepaid expenses current	9,596	21,686
Total current assets	<u>1,725,606</u>	<u>1,363,524</u>
Property and equipment, net of accumulated depreciation of \$240,333 and \$229,630, respectively	27,879	38,582
Other assets		
Security deposits	12,500	4,011
Pledges receivable non-current	19,295	-
Cash - with donor restrictions	18,076	18,067
Total other assets	<u>49,871</u>	<u>22,078</u>
Total assets	<u>\$ 1,803,356</u>	<u>\$ 1,424,184</u>

**LIABILITIES AND NET ASSETS**

Current liabilities		
Current maturities of Jewish Federation loan payable	\$ 8,915	\$ 8,525
Paycheck Protection Program loan	-	242,500
Current maturities of deferred interest	3,085	3,475
Accounts payable	327,008	345,331
Accrued expenses	92,184	88,670
Payroll and related taxes payable	51,617	45,385
Refundable advances	-	25,131
Total current liabilities	<u>482,809</u>	<u>759,017</u>
Long-term liabilities		
Jewish Federation loan payable, net of current maturities	63,924	72,839
Deferred interest, net of current maturities	9,258	12,343
Total liabilities	<u>555,991</u>	<u>844,199</u>
Net assets		
Without donor restrictions	1,171,573	504,193
With donor restrictions	75,792	75,792
Total net assets	<u>1,247,365</u>	<u>579,985</u>
Total liabilities and net assets	<u>\$ 1,803,356</u>	<u>\$ 1,424,184</u>

See accompanying notes to the financial statements.

**JEWISH FAMILY & VOCATIONAL  
SERVICE OF MIDDLESEX COUNTY, INC.  
Statements of Activities and Changes in Net Assets  
For the Years Ended December 31,**

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue						
Support						
Contribution and fundraising						
revenue	\$ 402,451	\$ -	\$ 402,451	\$ 375,630	\$ -	\$ 375,630
Jewish Federation	216,000	-	216,000	239,751	-	239,751
Foundation grants	3,744,150	-	3,744,150	2,873,306	-	2,873,306
Government grants	1,291,350	-	1,291,350	1,125,903	-	1,125,903
Total support	<u>5,653,951</u>	<u>-</u>	<u>5,653,951</u>	<u>4,614,590</u>	<u>-</u>	<u>4,614,590</u>
Revenue						
Client fees	343,793	-	343,793	300,867	-	300,867
Other income	264,431	-	264,431	27,610	-	27,610
Total revenue	<u>608,224</u>	<u>-</u>	<u>608,224</u>	<u>328,477</u>	<u>-</u>	<u>328,477</u>
Total support and revenue	6,262,175	-	6,262,175	4,943,067	-	4,943,067
Expenses						
Program services						
Counseling	256,350	-	256,350	394,171	-	394,171
Elderly	4,465,509	-	4,465,509	3,517,364	-	3,517,364
Vocational services	412,209	-	412,209	429,497	-	429,497
Community outreach	145,581	-	145,581	141,908	-	141,908
Total program services	<u>5,279,649</u>	<u>-</u>	<u>5,279,649</u>	<u>4,482,940</u>	<u>-</u>	<u>4,482,940</u>
Management and general	254,336	-	254,336	166,579	-	166,579
Fundraising	60,810	-	60,810	90,534	-	90,534
Total expenses	<u>5,594,795</u>	<u>-</u>	<u>5,594,795</u>	<u>4,740,053</u>	<u>-</u>	<u>4,740,053</u>
Increase in net assets	667,380	-	667,380	203,014	-	203,014
Net assets - beginning of the year	<u>504,193</u>	<u>75,792</u>	<u>579,985</u>	<u>301,179</u>	<u>75,792</u>	<u>376,971</u>
Net assets - end of the year	<u>\$ 1,171,573</u>	<u>\$ 75,792</u>	<u>\$ 1,247,365</u>	<u>\$ 504,193</u>	<u>\$ 75,792</u>	<u>\$ 579,985</u>

See accompanying notes to the financial statements.

**JEWISH FAMILY & VOCATIONAL  
SERVICE OF MIDDLESEX COUNTY, INC.  
Statements of Cash Flows  
For the Years Ended December 31,**

	2021	2020
Cash flows from operating activities		
Increase in net assets	\$ 667,380	\$ 203,014
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities		
Forgiveness from Paycheck Protection Program loan	(242,500)	-
Depreciation	10,703	12,417
(Increase) decrease in assets		
Client fees receivable	(30,522)	(2,978)
Grants receivable	388,001	(729,815)
Prepaid expenses	12,089	4,707
Deposits	(8,489)	-
Increase (decrease) in liabilities		
Accounts payable	(18,323)	54,540
Accrued expenses	3,515	(19,088)
Payroll and related taxes payable	6,232	(2,930)
Refundable advances	(25,131)	(3,626)
Net cash provided by (used in) operating activities	762,955	(483,759)
Cash flows from financing activities		
Proceeds from Paycheck Protection Program loan	-	242,500
Principal payments on Jewish Federation loan payable	(8,525)	(8,150)
Payments on deferred interest	(3,475)	(3,850)
Net cash (used in) provided by financing activities	(12,000)	230,500
Net increase (decrease) in cash, cash equivalents, and restricted cash	750,955	(253,259)
Cash, cash equivalents, and restricted cash at beginning of year	438,402	691,661
Cash, cash equivalents, and restricted cash at end of year	\$ 1,189,357	\$ 438,402
<b>Supplemental disclosure of cash flow information</b>		
Cash paid during the year for		
Interest	\$ 3,475	\$ 3,049

See accompanying notes to the financial statements.



**JEWISH FAMILY & VOCATIONAL  
SERVICE OF MIDDLESEX COUNTY, INC.  
Statement of Functional Expenses  
For the Year Ended December 31, 2021**

	Counseling	Elderly	Vocational Citizenship and Immigration	Community Outreach	Management and General	Fundraising	Totals
Salaries	\$ 187,377	\$ 481,854	\$ 246,449	\$ 56,810	\$ 104,717	\$ 23,310	\$ 1,100,517
Payroll taxes	16,747	48,158	21,916	5,059	4,940	2,116	98,936
Employee benefits	23,371	42,478	45,503	11,929	14,468	6,314	144,063
Insurance	1,685	9,014	4,292	1,216	2,553	667	19,427
Professional fees	3,748	19,642	9,547	3,403	107,440	1,509	145,289
Office expenses	4,878	25,172	12,497	2,815	2,089	8,988	56,439
Program expenses	3,998	3,771,409	38,849	55,090	25	7,688	3,877,059
Printing	729	3,784	1,813	508	121	256	7,211
Occupancy cost	9,543	50,020	24,218	6,869	14,408	3,862	108,920
Repairs and maintenance	109	1,028	272	98	-	52	1,559
Advertising	776	4,522	2,089	621	1,309	4,832	14,149
Dues and subscriptions	-	-	-	-	-	432	432
Professional development	153	1,097	384	118	1	71	1,824
Transportation	100	719	257	69	23	345	1,513
Interest	184	979	466	132	249	75	2,085
Miscellaneous	281	1,477	694	198	1,926	109	4,685
Depreciation	2,671	4,156	2,963	646	67	184	10,687
<b>Total expenses</b>	<b>\$ 256,350</b>	<b>\$ 4,465,509</b>	<b>\$ 412,209</b>	<b>\$ 145,581</b>	<b>\$ 254,336</b>	<b>\$ 60,810</b>	<b>\$ 5,594,795</b>

See accompanying notes to the financial statements.

**JEWISH FAMILY & VOCATIONAL  
SERVICE OF MIDDLESEX COUNTY, INC.  
Statement of Functional Expenses  
For the Year Ended December 31, 2020**

	Counseling	Elderly	Vocational Citizenship and Immigration	Community Outreach	Management and General	Fundraising	Totals
Salaries	\$ 273,623	\$ 462,537	\$ 254,446	\$ 68,933	\$ 118,734	\$ 32,223	\$ 1,210,496
Payroll taxes	24,456	42,666	22,627	6,139	5,602	2,924	104,414
Employee benefits	34,129	37,634	46,980	14,475	16,405	8,729	158,352
Insurance	4,247	15,908	5,313	1,545	483	578	28,074
Professional fees	9,445	34,665	11,817	4,321	20,329	1,309	81,886
Office expenses	12,292	44,424	15,468	3,575	395	7,797	83,951
Program expenses	2,950	2,762,414	32,033	31,234	1,141	21,688	2,851,460
Printing	1,837	6,677	2,244	645	23	222	11,648
Occupancy cost	24,049	88,276	29,975	8,723	2,726	3,350	157,099
Repairs and maintenance	276	1,814	337	124	-	45	2,596
Advertising	1,956	7,980	2,585	788	248	4,192	17,749
Dues and subscriptions	-	-	-	-	-	375	375
Professional development	385	1,936	475	150	-	61	3,007
Transportation	251	1,270	318	88	4	299	2,230
Interest	465	1,728	577	167	47	65	3,049
Miscellaneous	707	2,606	859	250	364	96	4,882
Event expenses	-	-	-	-	-	6,368	6,368
Depreciation	3,103	4,829	3,443	751	78	213	12,417
<b>Total expenses</b>	<b>\$ 394,171</b>	<b>\$ 3,517,364</b>	<b>\$ 429,497</b>	<b>\$ 141,908</b>	<b>\$ 166,579</b>	<b>\$ 90,534</b>	<b>\$ 4,740,053</b>

See accompanying notes to the financial statements.

**JEWISH FAMILY & VOCATIONAL  
SERVICE OF MIDDLESEX COUNTY, INC.  
Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies

Nature of activities

Jewish Family & Vocational Service of Middlesex County, Inc. D/B/A Jewish Family Services of Middlesex County (the Organization) was formed on May 2, 1980, as a non-profit organization to provide youth and family services, comprehensive services to the elderly, vocational services, and immigrant resettlement program services to the community. Primary sources of revenue are derived from Governmental and Foundation grants and other charitable contributions.

Basis of presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting.

Organization status

The Organization has been notified by the Internal Revenue Service that they are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization is further classified as an Organization that is not a private Organization under Section 509(a)(3) of the Code. The most significant tax positions of the Organization are its assertions that it is exempt from income taxes and its determination that no amounts are subject to unrelated business income tax (UBIT). Income generated by activities that would be considered unrelated to the Organization mission would be subject to income tax. The Organization follows the guidance of Accounting Standards Codification (ASC) Topic 740, *Accounting for Income Taxes*, related to uncertain income tax provisions, which prescribes a threshold of more likely than not, for recognition and derecognition of tax positions taken or expected to be taken in a tax return. Management has determined that it is more likely than not, that all tax positions would be sustained upon examination by taxing authorities. Accordingly, no provision for income taxes has been recorded. The Organization files a Form 990 Return of Organization Exempt from Tax, annually with the Internal Revenue Service, as well as a State equivalent filing. Both filings are subject to audit by the appropriate authority. The Organization returns before the year ended December 31, 2018, are no longer subject to examination by Federal or State authorities due to the statute of limitations.

Use of estimates

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

**JEWISH FAMILY & VOCATIONAL  
SERVICE OF MIDDLESEX COUNTY, INC.  
Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

Clients and client fees receivable

In evaluating the collectability of client fees receivable, the Organization analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provisions for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the Organization analyzes contractually due amounts and provides an allowance for doubtful accounts and provision for bad debts, if necessary.

Cash and cash equivalents

For purposes of the Statement of Cash Flows, the Organization considers all investment instruments with a maturity date of three months or less to be cash equivalents.

Contributions and grants receivable

Receivables are stated at the amount management expects to collect from balances outstanding. Management closely monitors outstanding balances throughout the year and writes off to expense all balances that are considered uncollectible.

Property and equipment

Property and equipment are stated at cost and depreciated over the estimated useful life of each asset. Depreciation is provided by use of the straight-line method over the following estimated useful lives:

	<u>Estimated Useful Life</u>
Leasehold improvements	39 years
Furniture and fixtures	5 years
Transportation equipment	7 years
Office equipment	5 years

Additions and improvements, which extend the useful lives of the respective assets, are charged to asset accounts and are depreciated accordingly, while general repairs and maintenance are expensed as incurred. There is no formal capitalization policy. The cost and related accumulated depreciation of assets sold or retired are eliminated from the accounts and any gains or losses are included in the changes in net assets.

**JEWISH FAMILY & VOCATIONAL  
SERVICE OF MIDDLESEX COUNTY, INC.  
Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

Net asset classifications

Net assets are classified based on the existence or absence of donor-imposed restrictions. Net assets are defined as follows:

Net assets without donor restrictions - net assets not subject to donor-imposed stipulations, and therefore, are expendable for operating purposes.

Net assets with donor restrictions - net assets subject to donor-imposed stipulations that will be met by actions of the Organization and/or by the passage of time.

Revenue recognition

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

Contributions

Contributions of cash and other assets, including unconditional promises to give, are considered to be available for unrestricted use unless specifically restricted by the donor and are recognized as support in the period the unconditional promise is given. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions to be received in future periods are discounted at an appropriate discount rate. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Gifts of cash and other non-capital assets are reported as net assets with donor restrictions if the gifts are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities as net assets released from donor restrictions. If a restriction is fulfilled in the same period in which the contribution is received, the support is reported as without donor restrictions.

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Schedule of Functional Expenses. Accordingly, certain costs have been allocated among the programs and services benefited. Management and general expenses include those expenses that are not directly identifiable with any specific function but provide for the overall support and direction of the Organization. Indirect expenses have been allocated based on salary expenditures.

**JEWISH FAMILY & VOCATIONAL  
SERVICE OF MIDDLESEX COUNTY, INC.  
Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

Advertising expenses

All advertising costs are expensed as incurred. Advertising expense for the years ended December 31, 2021 and December 31, 2020 were \$14,149 and \$17,749, respectively.

Note 2 - Concentrations

Cash

The Organization maintains its cash in bank deposit accounts, which may at times, exceed federally insured limits. At December 31, 2021, and December 31, 2020, the Organization had \$830,000 and \$0 of uninsured cash in its accounts, respectively.

Significant donor

A significant donor is defined as one generating 10% or greater of the Organization's total support and revenue. One donor generated approximately 58% of the total support and revenue for the year ended December 31, 2021 and approximately 55% of the total support and revenue for the year ended December 31, 2020.

Major vendor

A major vendor is defined as one generating 10% or greater of the Organization's expenses or accounts payable. For the years ended December 31, 2021 and December 31, 2020, there were two major vendors that accounted for 64% and 40% of the accounts payable balance, respectively.

Note 3 - Restricted Cash

Cash, cash equivalents, and restricted cash consists of the following as of December 31, 2021 and December 31, 2020:

	2021	2020
Cash and cash equivalents	\$ 1,171,281	\$ 420,335
Cash with donor restrictions	18,076	18,067
Total cash, cash equivalents, and restricted cash as shown on the statement of cash flows	\$ 1,189,357	\$ 438,402

Note 4 - Client fees receivable

Client fees receivable consists of amounts owed to the Organization for services provided. Management monitors outstanding client balances and reserves those balances that are deemed uncollectible.

Note 5 - Grants receivable

Included in grants receivable are amounts owed to the Organization from various state and local governmental entities.

**JEWISH FAMILY & VOCATIONAL  
SERVICE OF MIDDLESEX COUNTY, INC.  
Notes to the Financial Statements**

Note 6 - Pledges receivable

Pledges are recognized when a donor makes a promise to give to the Organization, that is in substance, unconditional. The pledges are expected to be collected in one to five years, with the donors designating their terms of payment.

Pledges receivable at December 31 were as follows:

	2021	2020
Gross pledges receivable	\$ 39,000	\$ -
Less: uncollectible allowance	-	-
Less: unamortized discount	(2,241)	-
Net pledges receivable	\$ 36,759	\$ -
Amounts due in		
Less than one year		\$ 17,464
One to five years		19,295
Total		\$ 36,759

Pledges due in more than one year are recognized at fair value using present value techniques with a discount rate at the prime rate on the date the promise to give was received by the Organization. The discount rate at December 31, 2021 was 3.25%.

Note 7 - Property and equipment

Property and equipment consist of the following as of December 31:

	2021	2020
Leasehold improvement	\$ 38,580	\$ 38,580
Furniture and fixtures	60,738	60,738
Transportation equipment	29,272	29,272
Monroe multimedia equipment	4,833	4,833
Office equipment	134,789	134,789
Total	268,212	268,212
Less: accumulated depreciation	240,333	229,630
Property and equipment, net	\$ 27,879	\$ 38,582

Depreciation expense for the years ended December 31, 2021 and December 31, 2020 was \$10,687 and \$12,417, respectively.

**JEWISH FAMILY & VOCATIONAL  
SERVICE OF MIDDLESEX COUNTY, INC.  
Notes to the Financial Statements**

Note 8 - Availability of financial assets

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use because of donor-imposed restrictions within one year of the balance sheet date.

Financial assets at December 31, 2021 and December 31, 2020

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 1,189,357	\$ 438,402
Grants receivable	527,265	915,266
Client fees receivable	-	6,237
Pledges receivable within one year	17,464	-
Total financial assets	<u>1,734,086</u>	<u>1,359,905</u>
Less those unavailable for general expenditures within one year due to:		
Donor - restricted for Charlotte Eder Fund	(57,792)	(57,792)
Donor - restricted for Rose Wachtel Memorial Fun	(18,000)	(18,000)
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 1,658,294</u>	<u>\$ 1,284,113</u>

Note 9 - Paycheck Protection Program loan

The Organization received a \$242,500 Paycheck Protection Program loan. The loan accrues interest at a rate of 1%. The full amount of the loan including interest has been forgiven.

Note 10 - Jewish Federation loan payable

The Organization entered into an agreement with Jewish Federation of Greater Middlesex County (Jewish Federation) in August 2008. The agreement allows the Organization to draw funds up to a sum not to exceed \$400,000. The Organization shall repay the loan by making monthly payments of \$1,000 beginning August 2010. Interest is imputed at 4.485%. The balance of the debt as of December 31, 2021 and December 31, 2020 was \$72,839 and \$81,364, respectively.

The loan contains covenants related to Jewish Federation having access to the Organization's records for monitoring, holding multiple seats on both the Executive Board and the Board of Directors, as well as the preparation of vision statements to be achieved to serve the needs of the Organization's constituents. The loan is secured by assets of the Organization.



**JEWISH FAMILY & VOCATIONAL  
SERVICE OF MIDDLESEX COUNTY, INC.  
Notes to the Financial Statements**

Note 10 - Jewish Federation loan payable (continued)

The long-term debt maturing over the next five years ending December 31, 2021, and thereafter is as follows:

2022	\$	8,915
2023		9,323
2024		9,750
2025		10,196
2026		10,663
Thereafter		23,992

Note 11 - Net assets with donor restrictions

Components of net assets with donor restrictions as of December 31 were as follows:

	2021	2020
Subject to expenditures for specified purposes:		
For the senior community of Monroe Township	\$ 57,792	\$ 57,792
Permanently restricted:		
Rose Wachtel Memorial Fund	18,000	18,000
Total net assets with donor restrictions	\$ 75,792	\$ 75,792

Note 12 - In-kind donations

The Organization receives various in-kind donations throughout the year. The values of these donations are immaterial and are not reflected in the financial statements.

Note 13 - Operating leases

The Organization rents office space under two leases with aggregate monthly payments of \$13,141 expiring through March 2031 in the year ended December 31, 2021. In addition, one of the office space agreements provides for the allocation of monthly common area maintenance charges (CAM), which are included in monthly rent expense. The Organization rents other space on a month-to-month basis as needed.

Rent expense for the years ended December 31, 2021 and December 31, 2020 was \$138,942 and \$157,616, respectively.

**JEWISH FAMILY & VOCATIONAL  
SERVICE OF MIDDLESEX COUNTY, INC.  
Notes to the Financial Statements**

Note 13 - Operating leases (continued)

The following is a schedule by years of the remaining future minimum lease payments required under the operating leases that have initial or remaining non-cancellable lease terms in excess of one year at December 31, 2021:

2022	\$ 116,346
2023	75,000
2024	75,000
2025	75,000
2026	76,688
Thereafter	328,313

The Organization entered into a new lease on March 23, 2021, for the North Brunswick office location. The Monthly payments for years 1 through 5 are \$6,250 and for years 6 through 10 are \$6,437.

Note 14 - Employee savings plan

The Organization offers employees a 403(b) Thrift Plan in which substantially all eligible employees participate. The employees can invest a portion of their earnings to maximum allowable levels in the plan. There is an employer match of up to 3% of compensation. Employees become vested in the plan after completing three years of service. During the years ended December 31, 2021 and December 31, 2020, the Organization contributed \$18,209 and \$18,263, respectively, to the 403(b) Plan in the form of matching contributions.

Note 15 - Related party transactions

Jewish Federation is the Umbrella Organization of the area's Jewish Community. Jewish Federation brings together agencies, organizations and communities to support the Jewish people and fulfill their needs. Jewish Federation raises funds through its annual campaign to coordinate services and help support agencies that touch the lives and improve the quality of life of Jewish people in its county.

During the years ended December 31, 2021 and December 31, 2020, Jewish Federation contributed a total of \$216,000 and \$239,751, respectively, to the Organization. The Jewish Federation has advanced funds in the form of direct, non-interest-bearing loans to the Organization. Interest on the loan has been imputed and treated as deferred interest.

	2021	2020
Deferred interest	\$ 12,343	\$ 15,818
Loan payable	72,839	81,364
Total proceeds received	\$ 85,182	\$ 97,182

**JEWISH FAMILY & VOCATIONAL  
SERVICE OF MIDDLESEX COUNTY, INC.  
Notes to the Financial Statements**

Note 16 - Change in Accounting Standards

ASU 2016-02: The FASB issued ASU 2016-02, *Leases*. This ASU recognizes as liabilities non-cancellable leases. The liability is offset by an amortizable asset called a right to use. This ASU will be effective to the Organization in the year ending December 31, 2022. Management has not completed its assessment of the impact of this change.

Note 17 - Risks and uncertainties

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Company's financial condition, liquidity, and future results of operations. Management is actively monitoring the impact of the global situation on its financial condition, liquidity, operations, suppliers, industry and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Company is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for the fiscal year 2022.

Note 18 - Subsequent events

The Organization's management has determined that no material events or transactions occurred subsequent to December 31, 2021, and through May 18, 2022, the date of the Organization's financial statements issuance, which require additional disclosure in the Organization's financial statements.

**JEWISH FAMILY & VOCATIONAL  
SERVICE OF MIDDLESEX COUNTY, INC.  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2021**

Grantor	Program Name	Grant/Project Number	CFDA	Grant Expenditures
U.S. Department of Homeland Security Direct programs	Citizenship and Integration	DHS-17-CIS-010-002	97.010	\$ 125,000
	Emergency Food and Shelter National Board Program	DHS-20-DAD-024-000-01	97.024	<u>55,250</u>
Total U.S. Department of Homeland Security				180,250
U.S. Department of Health & Human Services Direct programs				
Administration on Aging	Senior Medicare Patrol	90MPPG001603/04	93.048	336,490
The Corporation for National and Community Service	Retired Senior Volunteer Program	21SRANJ013	94.002	75,000
U.S. Department of Transportation Passthrough				
NJ Transit	Enhance Mobility for Seniors and Persons with Disabilities		20.513	<u>16,810</u>
Total expenditures of Federal Awards				<u><u>\$ 608,550</u></u>

See independent auditors' report.

**JEWISH FAMILY & VOCATIONAL  
SERVICE OF MIDDLESEX COUNTY, INC.  
Schedule of Expenditures of State Financial Assistance  
For the Year Ended December 31, 2021**

<u>Grantor</u>	<u>Program Title</u>	<u>State Account Number</u>	<u>Grant Award Amount</u>	<u>Program Grant Period</u>	<u>Grant Expenditures</u>
State of New Jersey Department of Children and Families	Women's Center	21 ASMW	\$ 150,000	1/1/21 - 12/31/21	<u>\$ 150,000</u>
Total expenditures of State Financial Assistance					<u><u>\$ 150,000</u></u>

See independent auditors' report.

**JEWISH FAMILY & VOCATIONAL  
SERVICE OF MIDDLESEX COUNTY, INC.  
Schedule of Expenditures of County Financial Assistance  
For the Year Ended December 31, 2021**

Grantor	Program Title	County Account Number	Grant Award Amount	Program Grant Period	Grant Expenditures
County of Middlesex Human Services Advisory Council	Elder Day Care, Clinical/Spot, Essential Needs Food Pantry, Vocational Support	21-654R	\$ 32,150	01/1/21 - 12/31/21	<u>\$ 32,150</u>
Total expenditures of County Financial Assistance					<u><u>\$ 32,150</u></u>

See independent auditors' report.

**JEWISH FAMILY & VOCATIONAL  
SERVICE OF MIDDLESEX COUNTY, INC.**  
**Notes to Schedules of Expenditures of Federal Awards,  
State Financial Assistance and County Financial Assistance  
December 31, 2021**

Note A - Basis of accounting

The accompanying Schedules of Expenditures of Federal Awards, State Financial Assistance and County Financial Assistance include the federal, state and county grant activity of Jewish Family & Vocational Service of Middlesex County, Inc. under programs of the federal, state and county governments for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Jewish Family & Vocational Service of Middlesex County, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Jewish Family & Vocational Service of Middlesex County.

Note B - Summary of significant accounting policies

(1) Expenditures reported on the schedules are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(2) Pass-through entity identifying numbers are presented where available.

Note C - Indirect cost rate

The Organization has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

See independent auditors' report.

**JEWISH FAMILY & VOCATIONAL  
SERVICE OF MIDDLESEX COUNTY, INC.  
Schedules of IOLTA Discretionary Grant Requirements  
For the Years Ended December 31,**

Expenditure	2021			2020		
	Expended Amount	Budget (Unaudited)	Variance	Expended Amount	Budget (Unaudited)	Variance
Personnel: Salaries and fringe benefits	\$ 36,900	\$ 36,900	\$ -	\$ 38,846	\$ 38,846	\$ -
Total personnel	36,900	36,900	-	38,846	38,846	-
Totals	<u>\$ 36,900</u>	<u>\$ 36,900</u>	<u>\$ -</u>	<u>\$ 38,846</u>	<u>\$ 38,846</u>	<u>\$ -</u>

Questioned costs

None

Equipment purchased with IOLTA funds

None

Adjustments to IOLTA expenditure reports

None

See independent auditors' report.



**JEWISH FAMILY & VOCATIONAL  
SERVICE OF MIDDLESEX COUNTY, INC.**  
**Schedules of Conference on Jewish Material Claims Against Germany Expenditures**  
**For the Years Ended December 31,**

Expenditure	2021			2020		
	Expended Amount	Budget (Unaudited)	Variance	Expended Amount	Budget (Unaudited)	Variance
Personnel	\$ 65,384	\$ 65,384	\$ -	\$ 65,384	\$ 65,384	\$ -
Personnel socialization	-	-	-	-	-	-
Personal/nursing care	1,907,755	1,922,112	14,357	1,413,505	1,413,505	-
Meals on wheels	65,070	65,070	-	75,070	75,070	-
Administrative overhead	224,759	224,759	-	224,759	224,759	-
Chore/housekeeping services	1,302,257	1,302,870	613	892,870	892,870	-
Client transportation	15,000	15,000	-	15,000	15,000	-
Medical equipment	-	-	-	-	-	-
Dental program	3,923	3,923	-	3,779	3,779	-
Emergency Assistance	18,602	18,602	-	-	-	-
<b>Totals</b>	<b>\$ 3,602,750</b>	<b>\$ 3,617,720</b>	<b>\$ 14,970</b>	<b>\$ 2,690,367</b>	<b>\$ 2,690,367</b>	<b>\$ -</b>

Questioned costs

None

Claims conference funds received in 2021:

\$3,602,750

Claims conference funds received in 2020:

\$2,690,367

See independent auditors' report.

**JEWISH FAMILY & VOCATIONAL  
SERVICE OF MIDDLESEX COUNTY, INC.  
Schedule of NJ Transit Grant Revenue and Expenses  
For the Year Ended December 31, 2021**

Revenue	\$ 16,810
Expenditures	
Salaries and fringe benefits	7,626
Maintenance and repairs	3,979
Materials consumed	1,158
Insurance	4,047
	16,810
Excess (shortage)	\$ -

Questioned costs

None

Equipment purchased with NJ Transit funds

None

Adjustments to NJ Transit expenditure reports

None

See independent auditors' report.



Certified Public Accountants, PC

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**Independent Auditors' Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial  
Statements Performed in Accordance with Government Auditing Standards**

Board of Directors  
Jewish Family & Vocational Service  
of Middlesex County, Inc.  
North Brunswick, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Financial Statements of Jewish Family & Vocational Service of Middlesex County, Inc. (the Organization), which comprise the statement of financial position as of December 31, 2021 and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 18, 2022.

Report Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Jewish Family & Vocational Service of Middlesex County, Inc.'s internal control over financial reporting (internal control) to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Jewish Family & Vocational Service of Middlesex County, Inc.'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### Report Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

### Purpose of the Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of the audit performed in accordance with *Government Accounting Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**BKC, CPAs, PC**

May 18, 2022  
Flemington, New Jersey