

JEWISH FAMILY SERVICE OF METROWEST, INC.

FINANCIAL STATEMENTS

SEPTEMBER 30, 2020 AND 2019



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JEWISH FAMILY SERVICE OF METROWEST, INC.

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Independent Auditors' Report

To the Board of Directors
Jewish Family Service of Metrowest, Inc.
Framingham, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of Jewish Family Service of Metrowest, Inc., which comprise the statement of financial position as of September 30, 2020, and the related statements of activities and change in net assets, functional expenses and cash flows for the year 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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. 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 auditors' 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 auditors consider 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.

Opinion

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

Change in Accounting Principle

As discussed in Note 2 to the financial statements, Jewish Family Service of Metrowest, Inc., adopted Accounting Standards Update No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*, during the year ended September 30, 2020. The standard requires retrospective application. Our opinion is not modified with respect to this matter.

As discussed in Note 2 to the financial statements, during the year ended September 30, 2020, Jewish Family Service of Metrowest, Inc., adopted Accounting Standards Update No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to this matter.

Other Matter

The financial statements as of September 30, 2019 were audited by Blum, Shapiro & Company, P.C., whose partners and professional staff joined CliftonLarsonAllen LLP as of January 1, 2021 and has subsequently ceased operations. Blum, Shapiro & Company, P.C.'s report dated January 31, 2020 expressed an unmodified opinion on those statements.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated February 11, 2021 on our consideration of Jewish Family Service of Metrowest, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of Jewish Family Service of Metrowest, Inc.'s 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 Service of Metrowest, Inc.'s internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Quincy, Massachusetts
February 11, 2021

JEWISH FAMILY SERVICE OF METROWEST, INC.

STATEMENT OF FINANCIAL POSITION SEPTEMBER 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 1,352,448	\$ 2,545,230	\$ 3,897,678
Cash - designated	27,958	54,450	82,408
Cash - adoption escrows	6,113	-	6,113
Accounts receivable	112,002	9,200	121,202
Unconditional promises to give	1,827	599,900	601,727
Inventory	-	687,968	687,968
Other current assets	47,020	-	47,020
Total current assets	<u>1,547,368</u>	<u>3,896,748</u>	<u>5,444,116</u>
Property and Equipment, Net	317,593	-	317,593
Other Asset			
Investments - board-designated endowment fund	<u>1,120,069</u>	<u>-</u>	<u>1,120,069</u>
Total Assets	<u>\$ 2,985,030</u>	<u>\$ 3,896,748</u>	<u>\$ 6,881,778</u>
LIABILITIES AND NET ASSETS			
Current Liabilities			
Accrued expenses	\$ 197,227	\$ -	\$ 197,227
Escrow deposits	6,113	-	6,113
Total liabilities	<u>203,340</u>	<u>-</u>	<u>203,340</u>
Net Assets			
Without donor restrictions:			
Undesignated	1,344,028	-	1,344,028
Board-designated endowment fund	1,120,069	-	1,120,069
Property and equipment without donor restrictions	317,593	-	317,593
Total net assets without donor restrictions	<u>2,781,690</u>	<u>-</u>	<u>2,781,690</u>
With donor restrictions	-	3,896,748	3,896,748
Total net assets	<u>2,781,690</u>	<u>3,896,748</u>	<u>6,678,438</u>
Total Liabilities and Net Assets	<u>\$ 2,985,030</u>	<u>\$ 3,896,748</u>	<u>\$ 6,881,778</u>

The accompanying notes are an integral part of the financial statements

JEWISH FAMILY SERVICE OF METROWEST, INC.

STATEMENT OF FINANCIAL POSITION SEPTEMBER 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 994,955	\$ 1,455,247	\$ 2,450,202
Cash - designated	27,958	52,300	80,258
Cash - adoption escrows	6,113	-	6,113
Accounts receivable	259,130	9,600	268,730
Unconditional promises to give	1,827	603,000	604,827
Inventory	-	645,566	645,566
Other current assets	56,202	-	56,202
Total current assets	<u>1,346,185</u>	<u>2,765,713</u>	<u>4,111,898</u>
Property and Equipment, Net	325,647	-	325,647
Other Asset			
Investments - board-designated endowment fund	<u>1,083,896</u>	<u>-</u>	<u>1,083,896</u>
Total Assets	<u>\$ 2,755,728</u>	<u>\$ 2,765,713</u>	<u>\$ 5,521,441</u>
LIABILITIES AND NET ASSETS			
Current Liabilities			
Accounts payable	\$ 19,275	\$ -	\$ 19,275
Accrued expenses	219,542	-	219,542
Escrow deposits	6,113	-	6,113
Total liabilities	<u>244,930</u>	<u>-</u>	<u>244,930</u>
Net Assets			
Without donor restrictions:			
Undesignated	1,101,255	-	1,101,255
Board-designated endowment fund	1,083,896	-	1,083,896
Property and equipment without donor restrictions	325,647	-	325,647
Total net assets without donor restrictions	<u>2,510,798</u>	<u>-</u>	<u>2,510,798</u>
With donor restrictions	<u>-</u>	<u>2,765,713</u>	<u>2,765,713</u>
Total net assets	<u>2,510,798</u>	<u>2,765,713</u>	<u>5,276,511</u>
Total Liabilities and Net Assets	<u>\$ 2,755,728</u>	<u>\$ 2,765,713</u>	<u>\$ 5,521,441</u>

The accompanying notes are an integral part of the financial statements

JEWISH FAMILY SERVICE OF METROWEST, INC.

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public Support and Revenue			
Public support:			
Grants and contributions	\$ 497,141	\$ 1,739,234	\$ 2,236,375
Contribution under the Paycheck Protection Program	418,950	-	418,950
Combined Jewish Philanthropies	-	599,900	599,900
Special events	432,489	1,180	433,669
Cost of special events	(13,987)	-	(13,987)
	<u>1,334,593</u>	<u>2,340,314</u>	<u>3,674,907</u>
Revenue:			
In-kind donations	-	68,166	68,166
Contracted homemaker services	545,121	-	545,121
Other service fees	178,923	-	178,923
Adoption fees	13,244	-	13,244
Interest and dividend income	12,130	-	12,130
Net unrealized and realized gains on investments	27,426	-	27,426
Other homemaker services	1,596	-	1,596
Miscellaneous income	494	-	494
	<u>778,934</u>	<u>68,166</u>	<u>847,100</u>
Net assets released from satisfaction of program restrictions	1,277,445	(1,277,445)	-
Total public support and revenue	<u>3,390,972</u>	<u>1,131,035</u>	<u>4,522,007</u>
Expenses			
Program services:			
Homecare and elder services	1,048,306	-	1,048,306
Immigrant and youth services	647,988	-	647,988
Jewish family assistance	665,764	-	665,764
Other services	344,268	-	344,268
Supporting services:			
Fundraising	174,309	-	174,309
General and administrative	239,445	-	239,445
Total expenses	<u>3,120,080</u>	<u>-</u>	<u>3,120,080</u>
Change in Net Assets	270,892	1,131,035	1,401,927
Net Assets at Beginning of Year	<u>2,510,798</u>	<u>2,765,713</u>	<u>5,276,511</u>
Net Assets at End of Year	<u>\$ 2,781,690</u>	<u>\$ 3,896,748</u>	<u>\$ 6,678,438</u>

The accompanying notes are an integral part of the financial statements

JEWISH FAMILY SERVICE OF METROWEST, INC.

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public Support and Revenue			
Public support:			
Grants and contributions	\$ 510,385	\$ 759,029	\$ 1,269,414
Combined Jewish Philanthropies	-	603,000	603,000
Special events	407,358	64,204	471,562
Cost of special events	(42,131)	-	(42,131)
	<u>875,612</u>	<u>1,426,233</u>	<u>2,301,845</u>
Revenue:			
In-kind donations	-	702,480	702,480
Contracted homemaker services	625,135	-	625,135
Other service fees	298,916	-	298,916
Adoption fees	79,850	-	79,850
Interest and dividend income	16,316	-	16,316
Net unrealized and realized gains on investments	15,806	-	15,806
Other homemaker services	2,855	-	2,855
Miscellaneous income	61	-	61
	<u>1,038,939</u>	<u>702,480</u>	<u>1,741,419</u>
Net assets released from satisfaction of program restrictions	<u>1,446,202</u>	<u>(1,446,202)</u>	<u>-</u>
Total public support and revenue	<u>3,360,753</u>	<u>682,511</u>	<u>4,043,264</u>
Expenses			
Program services:			
Homecare and elder services	1,180,438	-	1,180,438
Immigrant and youth services	840,976	-	840,976
Jewish family assistance	582,395	-	582,395
Other services	329,677	-	329,677
Supporting services:			
Fundraising	173,281	-	173,281
General and administrative	223,626	-	223,626
Total expenses	<u>3,330,393</u>	<u>-</u>	<u>3,330,393</u>
Change in Net Assets	30,360	682,511	712,871
Net Assets at Beginning of Year	<u>2,480,438</u>	<u>2,083,202</u>	<u>4,563,640</u>
Net Assets at End of Year	<u>\$ 2,510,798</u>	<u>\$ 2,765,713</u>	<u>\$ 5,276,511</u>

The accompanying notes are an integral part of the financial statements

JEWISH FAMILY SERVICE OF METROWEST, INC.

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED SEPTEMBER 30, 2020

Functional Expenses	Program Services					Supporting Services			
	Homecare and Elder Services	Immigrant and Youth Services	Jewish Family Assistance	Other Services	Total Program Services	Fundraising	General and Administrative	Total Supporting Services	Total
Payroll	\$ 804,077	\$ 393,886	\$ 316,989	\$ 257,854	\$ 1,772,806	\$ 129,345	\$ 187,435	\$ 316,780	\$ 2,089,586
Payroll taxes	59,754	29,272	23,557	19,162	131,745	9,612	13,929	23,541	155,286
Fringe benefits	24,774	12,136	9,767	7,945	54,622	3,985	5,775	9,760	64,382
Condo fees	24,446	11,975	9,638	7,840	53,899	3,933	5,699	9,631	63,530
Depreciation	10,781	5,281	4,250	3,457	23,769	1,734	2,513	4,247	28,016
Insurance	21,605	10,584	8,517	6,928	47,634	3,475	5,036	8,511	56,145
Grant expenses	2,145	89,068	44,148	13,322	148,684	-	-	-	148,684
Office expense	18,676	9,149	7,363	5,989	41,177	3,004	4,354	7,358	48,534
Travel	22,387	1,676	1,349	1,097	26,509	550	798	1,348	27,857
Advertising	2,511	1,230	990	805	5,537	404	585	989	6,526
Accounting	10,294	5,042	4,058	3,301	22,695	1,656	2,400	4,055	26,750
Adoption	-	-	-	1,542	1,542	-	-	-	1,542
Agency dues, seminars and training	2,036	998	803	653	4,490	328	475	802	5,292
Telephone	8,090	3,963	3,190	2,595	17,838	1,302	1,886	3,188	21,026
Consultants	7,786	3,814	3,069	2,497	17,166	1,252	1,815	3,067	20,233
Computer software	13,241	6,486	5,220	4,246	29,193	2,130	3,087	5,217	34,410
Equipment rental and maintenance	2,778	1,361	1,095	891	6,125	447	648	1,094	7,219
Equipment maintenance and repair	104	51	41	33	229	17	24	41	270
Postage	1,452	711	572	466	3,201	234	338	572	3,773
Printing	3,367	1,649	1,327	1,080	7,422	542	785	1,326	8,749
Development	-	-	-	-	-	9,074	-	9,074	9,074
Professional service fees	4,966	2,433	1,958	1,593	10,950	799	1,157	1,956	12,905
Credit card merchant fees	3,036	1,487	1,197	974	6,693	488	708	1,196	7,889
Family assistance	-	-	216,666	-	216,666	-	-	-	216,666
Donated merchandise	-	25,764	-	-	25,764	-	-	-	25,764
Supplies	-	4,672	-	-	4,672	-	-	-	4,672
Rent	-	25,299	-	-	25,299	-	-	-	25,299
	<u>1,048,306</u>	<u>647,988</u>	<u>665,764</u>	<u>344,268</u>	<u>2,706,326</u>	<u>174,309</u>	<u>239,445</u>	<u>413,754</u>	<u>3,120,080</u>
Cost of special events	-	-	-	-	-	13,987	-	13,987	13,987
Total Expenses	<u>\$ 1,048,306</u>	<u>\$ 647,988</u>	<u>\$ 665,764</u>	<u>\$ 344,268</u>	<u>\$ 2,706,326</u>	<u>\$ 188,296</u>	<u>\$ 239,445</u>	<u>\$ 427,741</u>	<u>\$ 3,134,067</u>

The accompanying notes are an integral part of the financial statements

JEWISH FAMILY SERVICE OF METROWEST, INC.

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED SEPTEMBER 30, 2019

Functional Expenses	Program Services					Supporting Services			Total
	Homecare and Elder Services	Immigrant and Youth Services	Jewish Family Assistance	Other Services	Total Program Services	Fundraising	General and Administrative	Total Supporting Services	
Payroll	\$ 878,185	\$ 380,830	\$ 333,754	\$ 227,358	\$ 1,820,127	\$ 120,751	\$ 170,149	\$ 290,900	\$ 2,111,027
Payroll taxes	68,737	29,808	26,123	17,796	142,464	9,451	13,318	22,769	165,233
Fringe benefits	25,910	11,236	9,847	6,708	53,701	3,563	5,020	8,583	62,284
Condo fees	38,289	16,604	14,552	9,913	79,358	5,265	7,419	12,684	92,042
Depreciation	12,143	5,266	4,615	3,144	25,168	1,670	2,353	4,023	29,191
Insurance	25,491	11,054	9,688	6,600	52,833	3,505	4,939	8,444	61,277
Grant expenses	18,284	239,318	40,862	20,126	318,590	-	-	-	318,590
Office expense	19,880	8,621	7,555	5,147	41,203	2,733	3,852	6,585	47,788
Travel	26,333	-	6,981	4,755	38,069	2,526	3,559	6,085	44,154
Advertising	4,072	1,766	1,548	1,054	8,440	560	789	1,349	9,789
Accounting	10,130	4,393	3,850	2,622	20,995	1,393	1,963	3,356	24,351
Adoption	-	-	-	10,736	10,736	-	-	-	10,736
Agency dues, seminars and training	3,407	1,478	1,295	882	7,062	468	660	1,128	8,190
Telephone	8,354	3,623	3,175	2,163	17,315	1,149	1,619	2,768	20,083
Consultants	11,349	4,922	4,313	2,938	23,522	1,561	2,199	3,760	27,282
Computer software	11,464	4,971	4,357	2,968	23,760	1,576	2,221	3,797	27,557
Equipment rental and maintenance	2,928	1,270	1,113	758	6,069	403	567	970	7,039
Equipment maintenance and repair	156	68	59	40	323	21	30	51	374
Postage	1,281	555	487	332	2,655	176	248	424	3,079
Printing	3,799	1,648	1,444	984	7,875	522	736	1,258	9,133
Development	-	-	-	-	-	14,579	-	14,579	14,579
Professional service fees	6,153	2,668	2,338	1,593	12,752	846	1,192	2,038	14,790
Credit card merchant fees	4,093	1,775	1,556	1,060	8,484	563	793	1,356	9,840
Family assistance	-	-	102,883	-	102,883	-	-	-	102,883
Donated merchandise	-	56,914	-	-	56,914	-	-	-	56,914
Supplies	-	27,242	-	-	27,242	-	-	-	27,242
Rent	-	24,946	-	-	24,946	-	-	-	24,946
	<u>1,180,438</u>	<u>840,976</u>	<u>582,395</u>	<u>329,677</u>	<u>2,933,486</u>	<u>173,281</u>	<u>223,626</u>	<u>396,907</u>	<u>3,330,393</u>
Cost of special events	-	-	-	-	-	42,131	-	42,131	42,131
Total Expenses	<u>\$ 1,180,438</u>	<u>\$ 840,976</u>	<u>\$ 582,395</u>	<u>\$ 329,677</u>	<u>\$ 2,933,486</u>	<u>\$ 215,412</u>	<u>\$ 223,626</u>	<u>\$ 439,038</u>	<u>\$ 3,372,524</u>

The accompanying notes are an integral part of the financial statements

JEWISH FAMILY SERVICE OF METROWEST, INC.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 1,401,927	\$ 712,871
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	28,016	29,191
Contribution of in-kind donations	(68,166)	(702,480)
Net unrealized and realized gains on investments	(27,426)	(15,806)
(Increase) decrease in operating assets:		
Accounts receivable	147,528	(99,386)
Unconditional promises to give	3,100	10,000
Inventory	25,764	56,914
Other current assets	9,182	35,851
Increase (decrease) in operating liabilities:		
Accounts payable	(19,275)	19,275
Accrued expenses	(22,315)	18,995
Escrow deposits	-	(152)
Net cash provided by operating activities	<u>1,478,335</u>	<u>65,273</u>
Cash Flows from Investing Activities		
Purchase of property and equipment	(19,962)	(32,138)
Investment income reinvested	(8,747)	(7,304)
Net cash used in investing activities	<u>(28,709)</u>	<u>(39,442)</u>
Net Increase in Cash and Cash Equivalents	1,449,626	25,831
Cash and Cash Equivalents at Beginning of Year	<u>2,536,573</u>	<u>2,510,742</u>
Cash and Cash Equivalents at End of Year	<u>\$ 3,986,199</u>	<u>\$ 2,536,573</u>

The accompanying notes are an integral part of the financial statements

JEWISH FAMILY SERVICE OF METROWEST, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - BUSINESS

Principal Business Activity

Jewish Family Service of Metrowest, Inc. (the Organization) provides child and family assistance, immigrant support, elder care, and numerous charitable, educational and social programs that address and alleviate social and health inequities for the benefit of the Metrowest/Greater Boston community.

The Organization is “staff driven, volunteer powered,” meaning that many programs and services include participation and engagement of trained volunteers in working with skilled professionals in providing solutions to the problems and challenges faced.

Homecare and Elder Services

The Organization improves safety, social engagement and access to medical care for frail older adults to maximize their health, independence and quality of life as they navigate the challenges that come with aging. Programs include Homecare, Healthy Aging, Patient Navigator and Allies in Aging (geriatric care management), among a broad array of community services.

Immigrant and Youth Services

The Organization provides innovative, integrated resources that address the social, emotional and basic needs of New Americans. There is particular focus upon academic and social achievement for low-income, young school-age immigrant children and their families; and for first-generation students striving to reach and succeed in college and the workforce. Programs include AllStars and Math Academy, Children’s Clothing Closet, Healthy Harvest, Citizenship Assistance, Refugee Resettlement, Syrian Refugee Humanitarian Project and Pathways to College, among a growing portfolio of community services.

Jewish Family Assistance

The Organization is reducing poverty in the Jewish community with case managers providing short- and long-term comprehensive support to address immediate needs of families in crisis, then continue the work to move them to stability and self-sufficiency. In partnership with Combined Jewish Philanthropies, a collaborative model of care is delivered. Programs include Family Assistance Case Management, Emergency Cash Assistance, Ready for Success (employment services), Lucy and Joe’s Food Pantry and Hebrew Free Loan.

Other Services

Adoption Choices (full-service adoption programs) as well as a variety of additional community-based social and education services for children, adults and families serve both the Jewish and broader Metrowest/Greater Boston community. The Adoption Choices program was terminated in December 2020.

JEWISH FAMILY SERVICE OF METROWEST, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Change in Accounting Principle

In November 2016, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*, which provides guidance on the presentation of restricted cash and restricted cash equivalents in the statement of cash flows. The amendments require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash and restricted cash equivalents. This ASU is effective for annual periods beginning after December 15, 2018. The Organization has adopted the amendments for the year ended September 30, 2020. The amendments have been applied retrospectively to all periods presented.

In June 2018, the Financial Accounting Standards Board issued ASU No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. The amendment clarifies guidance on how an entity determines whether a transfer of assets is a contribution or exchange transaction. The amendment also clarifies the determination of conditional contributions based on evaluating whether there is a right of return and a barrier to overcome. The two permitted transition methods under the new standard are the full retrospective method, in which case the standard would be applied to each prior reporting period presented and the cumulative effect of applying the standard would be recognized at the earliest period shown, or the modified prospective method, in which case the effect of applying the standard would be recognized for any agreements not completed and any new agreements entered into at the date of initial application. The new standard is effective for annual reporting periods beginning after December 15, 2018. Management has adopted ASU 2018-08 for the year ended September 30, 2020. The amendments have been applied using the full retrospective.

There was no cumulative effect of applying ASU 2016-18 or ASU 2018-08.

Financial Statement Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The presentation follows the recommendation of the Financial Accounting Standards Board in which the Organization is required to report information regarding its financial position and activities according to two classes of net assets:

Net Assets Without Donor Restrictions

Net assets without donor restrictions represent available resources other than donor-restricted contributions. These resources may be expended at the discretion of the Board of Directors.

Net Assets With Donor Restrictions

Net assets with donor restrictions represent 1) contributions that are restricted by the donor as to purpose or time of expenditure, 2) contributions that require that the principal be maintained in perpetuity but permit the Organization to expend the income earned thereon, and 3) the accumulated investment income and gains on donor-restricted endowment assets that have not been appropriated for expenditure.

JEWISH FAMILY SERVICE OF METROWEST, INC.

NOTES TO FINANCIAL STATEMENTS

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 stipulations or law. Expirations of time or purpose restrictions on net assets, that is, the donor-imposed stipulated purpose has been accomplished and/or the stipulated time period has elapsed, are reported as net assets released from restrictions within the statements of activities.

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 and disclosures. Accordingly, actual results could differ from the estimates.

Cash and Cash Equivalents

The Organization considers all money market funds and investments with maturities of three months or less when acquired to be cash equivalents.

During the course of the normal business cycle, the Organization may, at times, maintain cash and cash equivalent balances in excess of the Federal Deposit Insurance Corporation limit of \$250,000.

Accounts Receivable

When considered necessary by management, receivables are stated net of an allowance for doubtful accounts, which would be reported on the face of the Organization's statements of financial position. The allowance is established by a provision for bad debts charged to operations. On a periodic basis, management evaluates its receivables and establishes or adjusts its allowance to an amount that it believes will be adequate to absorb possible losses on accounts that may become uncollectible, based on evaluations of the collectability of individual accounts, the Organization's history of prior loss experience and current economic conditions. Accounts are charged against the allowance when management believes that the collectability of the specific account is unlikely. At September 30, 2020 and 2019, the allowance was \$10,667.

Inventory

Inventory consists primarily of donated new children's clothing, which the Organization donates back to the community and other not-for-profit organizations. The estimated fair value is provided by a nationally recognized third party.

Property and Equipment

Property and equipment are recorded at cost, if purchased, or at fair market value, if donated. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expenses as incurred. Depreciation is computed using the straight-line method over the following estimated useful lives of the assets.

Building and improvements	40 years
Office equipment and furniture	5 years
Computers	5 years
Agency van	5 years

JEWISH FAMILY SERVICE OF METROWEST, INC.

NOTES TO FINANCIAL STATEMENTS

Investments and Investment Income

The Organization owns a limited partnership interest in Jewish Community Endowment Pool, LLP, which utilizes a pooled-investment fund basis for managing its investments. Investments are recorded at fair value as reported by Jewish Community Endowment Pool, LLP.

Investments, excluding nonmarketable alternatives, are reported at fair value, as established by the major securities markets. Nonmarketable alternatives (investments for which there may not be a value established by major security markets) are carried at estimated fair values based upon the most recent financial information provided by the general partners, which in certain circumstances is June 30, updated for cash receipts or additional investments through September 30. The Organization does not consider the change in fair value for these funds for the period July 1 through September 30 to be material. Investments also include certain cash and cash equivalents that are held by various investment managers on the Organization's behalf. The Organization's investments include marketable alternatives and partnerships, which invest in derivative and hedging instruments. Purchases and sales of securities are recorded on trade dates, and realized gains and losses are determined on the basis of the average cost of securities sold.

Nonmarketable alternatives, in general, are exposed to various risks such as interest rate, credit and overall market volatility. As such, it is reasonably possible that changes in the values of alternative investment securities will occur in the near term and those changes could materially affect the amounts reported in the statements of financial position and statements of activities and change in net assets. Management has reviewed the risk associated with these investments and has determined it is not material to the Organization as of September 30, 2020.

Investment income and unrealized gains are reflected in the statements of activities and change in net assets. Investment income from unrestricted investments is reported as unrestricted revenue. Investment income is reinvested in the investment account.

Endowment

The Organization's endowment net assets include funds designated by the Board of Directors to function as endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

In accordance with the Commonwealth of Massachusetts' Unified Prudent Management of Institutional Funds Act, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

JEWISH FAMILY SERVICE OF METROWEST, INC.

NOTES TO FINANCIAL STATEMENTS

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organization has a policy to maintain sufficient liquidity to fund amounts approved by the Board of Directors for the Organization's annual operating budget. In establishing this policy, the Organization considered the long-term expected return on its endowment.

Endowment Investment Policy

The Organization has adopted investment and spending policies for endowment net assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that over time will average the level of approved Organization endowment spending rate plus inflation. Actual results in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization employs a strategy designed to achieve a real return over consecutive rolling five-year periods of 5% over inflation with significant diversification to reduce volatility. The Organization has adopted this strategy in order to protect against potential market declines in the future and to provide a predictable flow of funds to support operations.

Fair Value Measurements

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

Level 1

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

Level 2

Inputs to the valuation methodology include:

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

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

JEWISH FAMILY SERVICE OF METROWEST, INC.

NOTES TO FINANCIAL STATEMENTS

Level 3

Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an asset's or liability's fair level within the fair value hierarchy is based on the lowest level input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

There have been no changes in the methodologies used at September 30, 2020 and 2019.

Contributions, In-Kind Donations and Grants

In accordance with ASU 2018-08, certain governmental grants and contracts received by a not-for-profit, including certain awards to fund capital expenditures, are generally considered to be contributions rather than exchange transactions since there was not commensurate value transferred between the resource provider and the Organization. Promises to give that are subject to donor-imposed conditions (i.e., a donor stipulation that includes a barrier that must be overcome and a right of return of assets) are recognized when the conditions on which they depend are substantially met, that is, when the conditional promise becomes unconditional. Unconditional contributions are recognized when promised or received, as applicable, and are considered to be available for unrestricted use unless specifically restricted by the donor.

The Organization reports contributions of cash and other assets as donor-restricted support if they are received with donor stipulations that limit their use. 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 accompanying statements of activities as net assets released from restrictions. Transfers of assets from a resource provider received before the barriers are overcome are reported as deferred revenue on the accompanying statements of financial position.

Unconditional promises to give are recorded net of an allowance for uncollectible amounts. Those pledges that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. For the years ended September 30, 2020 and 2019, unconditional promises to give were considered collectible and were all due within a year.

Program Service Fees

Revenue is recognized when services are rendered.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis on the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis. All costs are allocated based on labor distribution with the exception of grant expenses, travel, adoption, development, family assistance, donated merchandise, supplies and rent, which are directly allocated.

JEWISH FAMILY SERVICE OF METROWEST, INC.

NOTES TO FINANCIAL STATEMENTS

Income Tax Status

The Organization is exempt from federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code. Contributions to the agency are deductible by donors within the requirements of the Internal Revenue Code.

The Organization is required to recognize the financial statement impact of a tax position unless it is more likely than not that the position will be sustained upon examination. If applicable, the Organization recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses.

Based on the evaluation of the Organization's tax positions, management believes all positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions has been recorded for the years ended September 30, 2020 and 2019.

Compensated Absences

An accrual for employee vacation time earned, but not taken or forfeited, is included in accrued expenses. Employees are also entitled to paid sick days off, which may be accumulated up to a maximum of 20 days. Unused sick leave in the event of termination, however, is forfeited and is not reimbursable to the employee. The Organization's policy is to recognize the cost of sick time when actually paid to employees.

Advertising Costs

Advertising costs are expensed as incurred and amounted to \$6,526 and \$9,789 for the years ended September 30, 2020 and 2019, respectively.

Concentrations of Credit Risk

The Organization receives a substantial amount of its support and revenue from state contracts and from major public support organizations. A significant reduction in the level of any of this support and revenue, if this were to occur, might have an adverse effect on the Organization's programs and activities.

The Organization has a concentration of credit risk represented by cash balances in certain large commercial banks in amounts which occasionally exceed current federal deposit insurance limits. The financial stability of these institutions is continually reviewed by senior management. In addition, the Organization has a concentration of credit risk represented by the investment in Jewish Community Endowment Pool, LLP. The investment is monitored by two senior volunteer committees of the Organization's Board of Directors: the Budget and Finance Committee and the Investment Committee.

Subsequent Events

The Organization has evaluated subsequent events through February 11, 2021, the date which the financial statements were available to be issued. There were no events noted that require disclosure in these financial statements, other than as disclosed in Note 9 and Note 16.

JEWISH FAMILY SERVICE OF METROWEST, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 3 - CASH - DESIGNATED

Cash - designated comprised the following at September 30, 2020 and 2019:

	<u>2020</u>		<u>2019</u>
Refugee Families Financial Assistance	\$ 27,958	\$	27,958
Hebrew Free Loan Fund	<u>54,450</u>		<u>52,300</u>
Total Cash - Designated	<u>\$ 82,408</u>	\$	<u>80,258</u>

NOTE 4 - PROPERTY AND EQUIPMENT

The cost and related accumulated depreciation and amortization of property and equipment is as follows as of September 30, 2020 and 2019:

	<u>2020</u>		<u>2019</u>
Building and improvements	\$ 545,845	\$	545,845
Office equipment and furniture	80,623		80,623
Computers	126,210		106,248
Agency van	<u>33,920</u>		<u>33,920</u>
	786,598		766,636
Less accumulated depreciation	<u>469,005</u>		<u>440,989</u>
Property and Equipment, Net	<u>\$ 317,593</u>	\$	<u>325,647</u>

NOTE 5 - UNCONDITIONAL PROMISES TO GIVE

Included in unconditional promises to give is an annual allocation from Combined Jewish Philanthropies of \$599,900 and \$603,000 at September 30, 2020 and 2019, respectively.

NOTE 6 - MANAGEMENT FEES

The Organization was engaged to manage the building in which they own an office condominium. The management agreement provides for a monthly fee of \$1,917 and shall continue until it is terminated by the Condominium Trust or the Organization. Management fees paid to the Organization during September 30, 2020 and 2019 amounted to \$20,512 and \$27,338, respectively, and were recorded in other service fees on the statements of activities and changes in net assets.

The Organization's office condominium requires a monthly fee to be paid for the upkeep of the building's common areas. The condominium fee is currently \$6,914 per month. Condominium fees totaled \$63,530 and \$92,042 for the years ended September 30, 2020 and 2019 and were recorded in condo fees on the statements of functional expenses.

JEWISH FAMILY SERVICE OF METROWEST, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 7 - COMMITMENTS

Beginning in 2017, as part of the Syrian Refugee program, the Organization entered into annual leases for apartments to house Syrian refugee families. At September 30, 2020, the monthly lease payments range from \$400 to \$2,100. Total Syrian Refugee program rent expense amounted to \$44,450 and \$127,000 for the years ended September 30, 2020 and 2019, respectively, and is included in grant expenses on the statements of functional expenses. In addition, the Organization receives sublease income from the Syrian refugee families on a monthly basis in the amount of \$2,100 at September 30, 2020. For the years ended September 30, 2020 and 2019, sublease income amounted to \$25,200 and \$103,825, respectively, and is included in other service fees on the statements of activities and change in net assets.

The Organization leases office equipment under operating leases through May 2025. The monthly payments range from \$420 to \$880. Rent expense amounted to \$15,600 and \$15,152 for the years ended September 30, 2020 and 2019, respectively.

The future minimum rent payments are as follows:

Year Ending September 30

2021	\$	5,040
2022		5,040
2023		5,040
2024		5,040
2025		<u>2,940</u>
	\$	<u><u>23,100</u></u>

In May 2018, the Organization entered into a lease for space to operate the Children's Clothing Closet. In June 2020, the lease was amended and extended for one year. Monthly payments are \$2,200 through June 2021. Total Children's Clothing Closet rent expense amounted to \$25,299 and \$24,946 for the years ended September 30, 2020 and 2019, respectively, and is included in grant expenses on the statements of functional expenses. Future minimum rent payments are \$19,800 for the year ending September 30, 2021.

NOTE 8 - LINE OF CREDIT

The Organization has a \$200,000 line of credit with a bank secured by all assets of the Organization with no expiration date. Advances on the credit line are payable on demand and carry interest equal to the 90-day LIBOR plus 0.5%, with a minimum rate of 3.95%. As of September 30, 2020 and 2019, there have been no draws on this agreement.

JEWISH FAMILY SERVICE OF METROWEST, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 9 - PAYCHECK PROTECTION PROGRAM

On April 16, 2020, the Organization received a Paycheck Protection Program (PPP) loan of \$418,950 granted by the Small Business Administration (SBA) under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The Organization considers PPP loans to be conditional contributions, with a right of return in the form of an obligation to be repaid if barriers to entitlement are not met. These barriers include incurring qualifying expenses and maintaining certain levels of employee headcount and salary during a measurement period. The Organization considers reviews of the application for forgiveness by the lender and the SBA as well as potential audits to be administrative in nature rather than barriers to entitlement. During the year ended September 30, 2020, the Organization recognized \$418,950 as contribution income based on the amount of qualifying expenditures incurred and employee headcount and salary levels maintained through September 30, 2020. The application for forgiveness of \$418,950, which is based on qualifying expenses incurred over a 24-week measurement period, has not been submitted as of February 11, 2021. At the time of issuance of the financial statements, notice of forgiveness had not been received from the lender. Any portion of the loan that must be repaid will bear interest at a rate of 1% per annum.

Subsequent to year end, on January 22, 2021, the Organization received a second PPP loan in the amount of \$418,950.

NOTE 10 - RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions consist of the following at September 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Passage of time restrictions:		
Combined Jewish Philanthropies	\$ 599,900	\$ 603,000
Specific purpose restrictions:		
Jewish Family Assistance	668,095	394,358
Homecare and Elder Services	319,618	290,888
Immigrant and Youth Services	1,078,362	1,159,172
Other services	<u>1,230,773</u>	<u>318,295</u>
	<u>\$ 3,896,748</u>	<u>\$ 2,765,713</u>

JEWISH FAMILY SERVICE OF METROWEST, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 11 - NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by donors as follows during the years ended September 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Passage of time restrictions:		
Combined Jewish Philanthropies	\$ 612,500	\$ 613,000
Specific purpose restrictions:		
Jewish Family Assistance	190,737	196,063
Homecare and Elder Services	99,822	255,407
Immigrant and Youth Services	196,694	301,424
Other services	<u>177,692</u>	<u>80,308</u>
	<u>\$ 1,277,445</u>	<u>\$ 1,446,202</u>

NOTE 12 - INVESTMENTS

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at September 30, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Limited partnership interest in Jewish Community Endowment Pool, LLP	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,120,069</u>	\$ <u>1,120,069</u>

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at September 30, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Limited partnership interest in Jewish Community Endowment Pool, LLP	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,083,896</u>	\$ <u>1,083,896</u>

JEWISH FAMILY SERVICE OF METROWEST, INC.

NOTES TO FINANCIAL STATEMENTS

The following table sets forth a summary of the changes in the fair value of the Organization's Level 3 assets for the years ended September 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Beginning balance	\$ 1,083,896	\$ 1,060,786
Interest and dividends	8,747	7,304
Net realized gain	7,491	25,603
Net change in unrealized appreciation (depreciation)	26,227	(1,643)
Investment fees	<u>(6,292)</u>	<u>(8,154)</u>
Ending Balance	\$ <u>1,120,069</u>	\$ <u>1,083,896</u>

The Organization's investments in Jewish Community Endowment Pool, LLP, is stated at fair value, which is estimated using monthly investment reports produced by Combined Jewish Philanthropies.

Although the Organization believes its valuation methods are appropriate and consistent with those used by other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date. Estimated values may differ significantly from the values that would have been used had a readily available market for such instruments existed, or had such instruments been liquidated. These differences could be material to the financial statements.

NOTE 13 - ENDOWMENT NET ASSETS

Changes in endowment net assets for the year ended September 30, 2020 consisted of the following:

	<u>Without Donor Restrictions</u>
Endowment net assets, beginning of year	\$ <u>1,083,896</u>
Investment return:	
Interest and dividends	8,747
Realized gain on endowment	7,491
Unrealized gain on endowment	26,227
Investment fees and expense	<u>(6,292)</u>
Total investment return	<u>36,173</u>
Endowment Net Assets, End of Year	\$ <u>1,120,069</u>

Endowment net asset composition by type of fund as of September 30, 2020 consisted of the following:

	<u>Without Donor Restrictions</u>
Board Designated	\$ <u>1,120,069</u>

JEWISH FAMILY SERVICE OF METROWEST, INC.

NOTES TO FINANCIAL STATEMENTS

Changes in endowment net assets for the year ended September 30, 2019 consisted of the following:

	Without Donor Restrictions
Endowment net assets, beginning of year	\$ <u>1,060,786</u>
Investment return:	
Interest and dividends	7,304
Realized gain on endowment	25,603
Unrealized loss on endowment	(1,643)
Investment fees and expense	(8,154)
Total investment return	<u>23,110</u>
Endowment Net Assets, End of Year	\$ <u><u>1,083,896</u></u>

Endowment net asset composition by fund type as of September 30, 2019 consisted of the following:

	Without Donor Restrictions
Board Designated	\$ <u><u>1,083,896</u></u>

NOTE 14 - SURPLUS REVENUE RETENTION

The Operational Service Division (OSD) has amended certain provisions in 808 CMR 1.00: *Compliance, Reporting and Auditing for Human and Social Services* related to the not-for-profit contractor surplus revenue retention. The annual surplus limit for the years ended September 30, 2020 and 2019 is 20%. The surpluses, as determined by OSD in each given year, may be used for the nonprofit providers' charitable purposes. Any excess surplus should be used to reduce future contracts or be recouped as determined by OSD. For the years ended September 30, 2020 and 2019, the Organization did not have any surpluses in excess of the 20% rule.

NOTE 15 - LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities as well as the conduct of services undertaken to support those activities to be general expenditures.

JEWISH FAMILY SERVICE OF METROWEST, INC.

NOTES TO FINANCIAL STATEMENTS

As of September 30, 2020 and 2019, the following financial assets could readily be made available within one year of the statement of financial position date to meet general expenditures:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 1,352,448	\$ 994,955
Accounts receivable	112,002	259,130
Contributions for general expenditures due in one year or less	<u>601,727</u>	<u>604,827</u>
Total Financial Assets Available to Management for General Expenditure Within One Year	<u>\$ 2,066,177</u>	<u>\$ 1,858,912</u>

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures and other obligations come due. The Organization has board-designated cash of \$27,958 and investments of \$1,120,069 and \$1,083,896 as of September 30, 2020 and 2019, respectively, that may be drawn upon as necessary with approval from the Board of Directors. The Organization also has a line of credit it may draw upon in the event of an unanticipated liquidity need (see Note 8).

NOTE 16 - CORONAVIRUS PANDEMIC

On January 30, 2020, the World Health Organization declared the coronavirus to be a public health emergency. As a result of the spread of the virus, economic uncertainties have arisen.

On March 10, 2020, the Governor of the Commonwealth of Massachusetts declared a State of Emergency giving the State Administration more flexibility to respond to the coronavirus outbreak. As a result, the Organization experienced a reduction in revenue from homemaker services, elder services and adoption revenue. The Organization's fundraising opportunities were also limited. In addition, the Organization incurred additional expenses in order for programs to be fully operational. In fiscal year 2021, the Organization will be focusing its core services to the pandemic response in the most vulnerable cohort groups including older adults, families in financial distress, and immigrant families experiencing home and health insecurity.

The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.



**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***

To the Board of Directors
Jewish Family Service of Metrowest, Inc.
Framingham, Massachusetts

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 Service of Metrowest, Inc. (the Organization), which comprise the statement of financial position as of September 30, 2020 and the related statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 11, 2021.

Internal Control over Financial Reporting

In planning and performing our audits of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 a 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 a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

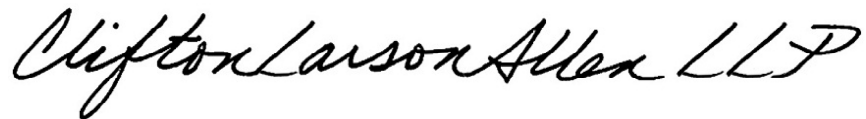
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from 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 financial statements. 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 or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This 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 Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

Quincy, Massachusetts
February 11, 2021

