Network of Jewish Human Service Agencies
[a Non-Profit Organization]

Financial Statements

Years Ended December 31, 2019 and 2018

Network of Jewish Human Service Agencies
[a Non-Profit Organization]

Financial Statements

Year Ended December 31, 2019

C O N T E N T S

Independent Auditor's Report

Board of Directors
Network of Jewish Human Service Agencies
Paramus, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of Network of Jewish Human Service Agencies (a not-for-profit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, and changes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Network of Jewish Human Service Agencies as of December 31, 2019 and 2018, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Sax LLP

Clifton, New Jersey
July 7, 2020

Network of Jewish Human Service Agencies
[a Non-Profit Organization]

Statements of Financial Position

	December 31, 2019	December 31, 2018
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 488,052	$ 341,991
Accounts receivable less allowance of $750	18,250	24,840
Grant receivable	24,320	945,897
Investments	148,037	109,179
Prepaid expenses and other	14,996	22,097
Total current assets	693,655	1,444,004
NET PROPERTY AND EQUIPMENT	14,087	18,199
TOTAL ASSETS	**$ 707,742**	**$ 1,462,203**
LIABILITIES AND STOCKHOLERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 40,587	$ 64,465
Accrued grant payable	-	938,932
Deferred revenue	326,870	220,684
Total current liabilities	367,457	1,224,081
NET ASSETS		
Without donor restrictions	340,285	238,122
TOTAL LIABILITIES AND NET ASSETS	**$ 707,742**	**$ 1,462,203**

See accompanying Notes to Financial Statements.

Network of Jewish Human Service Agencies
[a Non-Profit Organization]

Statement of Activities and Changes in Net Assets

Year Ended December 31, 2019

	Without Donor Restrictions
REVENUE AND OTHER SUPPORT	
Membership dues	$ 711,602
Grants and contributions	97,672
Alliance and Federation Allocations	83,029
Conference fees	273,642
Miscellaneous	77,123
Total revenue and other support	1,243,068
FUNCTIONAL EXPENSES	
Program expenses	879,314
Management and general expenses	220,491
Fundraising expenses	81,536
Total functional expenses	1,181,341
Increase in net assets before investment income (loss)	**61,727**
Investment income	40,436
Increase in net assets	**102,163**
NET ASSETS, *beginning of year*	238,122
NET ASSETS, *end of year*	**$ 340,285**

See accompanying Notes to Financial Statements.

Network of Jewish Human Service Agencies
[a Non-Profit Organization]

Statement of Activities and Changes in Net Assets

Year Ended December 31, 2018

	Without Donor Restrictions
REVENUE AND OTHER SUPPORT	
Membership dues	$ 698,918
Grants and contributions	1,031,020
Alliance and Federation Allocations	76,047
Conference fees	210,419
Miscellaneous	73,098
Total revenue and other support	2,089,502
FUNCTIONAL EXPENSES	
Program expenses	1,874,416
Management and general expenses	252,660
Fundraising expenses	84,112
Total functional expenses	2,211,188
Decrease in net assets before investment income (loss)	**(121,686)**
Investment (loss)	(3,678)
Decrease in net assets	**(125,364)**
NET ASSETS, *beginning of year*	363,486
NET ASSETS, *end of year*	**$ 238,122**

See accompanying Notes to Financial Statements.

Network of Jewish Human Service Agencies
[a Non-Profit Organization]

Statement of Functional Expenses

Year Ended December 31, 2019

	Program Services	Supporting Services			
	Program	**Fundraising**	**Management and General**	**Subtotal**	**Total**
Office salaries	$ 328,706	$ 45,527	$ 105,171	$ 150,698	$ 479,404
Payroll taxes and employee benefits	80,821	10,245	22,767	33,012	113,833
Telephone	1,626	975	650	1,625	3,251
Professional fees	110,096	7,312	75,505	82,817	192,913
Office expenses	9,349	149	99	248	9,597
Travel	15,701	-	-	-	15,701
Conferences and conventions	254,988	-	-	-	254,988
Rent	12,600	7,560	5,040	12,600	25,200
Advertising	2,450	-	-	-	2,450
Dues and subscriptions	3,439	2,063	1,376	3,439	6,878
Meals and entertainment	15	-	-	-	15
Equipment rental	2,921	1,753	1,169	2,922	5,843
Membership/direct response marketing	2,189	1,313	875	2,188	4,377
Licenses and insurance	4,745	-	4,745	4,745	9,490
Bank fees	13,973	-	-	-	13,973
Grant expense	-	-	-	-	-
Miscellaneous	28,300	203	136	339	28,639
Office supplies	1,151	690	460	1,150	2,301
Total expenses before depreciation	873,070	77,790	217,993	295,783	1,168,853
Depreciation	6,244	3,746	2,498	6,244	12,488
Total functional expenses	**$ 879,314**	**$ 81,536**	**$ 220,491**	**$ 302,027**	**$ 1,181,341**

See accompanying Notes to Financial Statements.

Network of Jewish Human Service Agencies
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Statement of Functional Expenses

Year Ended December 31, 2018

	Program Services	Supporting Services			
	Program	Fundraising	Management and General	Subtotal	Total
Office salaries	$ 347,759	$ 44,615	$ 99,733	$ 144,348	$ 492,107
Payroll taxes and employee benefits	81,928	10,385	23,079	33,464	115,392
Telephone	1,761	1,056	704	1,760	3,521
Professional fees	115,172	7,554	109,040	116,594	231,766
Office expenses	1,925	664	443	1,107	3,032
Travel	22,846	-	-	-	22,846
Conferences and conventions	276,986	-	-	-	276,986
Rent	12,600	7,560	5,040	12,600	25,200
Advertising	388	-	-	-	388
Dues and subscriptions	5,871	3,523	2,349	5,872	11,743
Meals and entertainment	145	-	-	-	145
Equipment rental	4,459	2,675	1,783	4,458	8,917
Membership/direct response marketing	2,562	1,537	1,025	2,562	5,124
Licenses and insurance	5,162	-	5,162	5,162	10,324
Bank fees	20,428	-	-	-	20,428
Grant expense	938,932	-	-	-	938,932
Miscellaneous	28,604	410	1,547	1,957	30,561
Office supplies	904	543	362	905	1,809
Total expenses before depreciation	1,868,432	80,522	250,267	330,789	2,199,221
Depreciation	5,984	3,590	2,393	5,983	11,967
Total functional expenses	**$ 1,874,416**	**$ 84,112**	**$ 252,660**	**$ 336,772**	**$ 2,211,188**

See accompanying Notes to Financial Statements.

Network of Jewish Human Service Agencies
[a Non-Profit Organization]

Statement of Cash Flows

	December 31, 2019	December 31, 2018
CASH FLOWS PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
Change in net assets	$ 102,163	$ (125,364)
Adjustments to reconcile change in net assets to net cash used by operating activities		
Realized and unrealized (gain)/loss on investments	(37,701)	6,164
Depreciation	12,488	11,967
(Increase) decrease in assets		
Accounts receivable	6,590	33,861
Grant receivable	921,577	(921,181)
Prepaid expenses and other	7,101	(3,650)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	(962,810)	969,263
Deferred revenue	106,186	157,141
	155,594	**128,201**
CASH FLOWS PROVIDED BY (USED FOR) INVESTING ACTIVITIES		
Purchase of property and equipment	(8,376)	(18,955)
Purchase of investments	(42,292)	(6,288)
Sale of investments	41,135	30,000
	(9,533)	**4,757**
Net increase in cash and cash equivalents	**146,061**	**132,958**
CASH AND CASH EQUIVALENTS, *beginning of year*	341,991	209,033
CASH AND CASH EQUIVALENTS, *end of year*	**$ 488,052**	**$ 341,991**

See accompanying Notes to Financial Statements.

Note 1 - Organization and Summary of Significant Accounting Policies

a. Nature of the Organization

The Network of Jewish Human Service Agencies (the "Organization" or "Network") was formed in May 2017 when the two leading Jewish services associations - the Association of Jewish Family and Children's Agencies ("AJFCA") and the International Association of Jewish Vocational Services ("IAJVS") - merged into one entity.

The Network is an international membership association of more than 140 not-for-profit human service agencies in the United States, Canada, and Israel. Its members provide a full range of human services for the Jewish community and beyond, including healthcare, career, employment and mental health services, as well as programs for youth, families and seniors, Holocaust survivors, immigrants and refugees, persons with disabilities and caregivers.

The Network strives to be the leading voice for the Jewish human service sector. As the go-to resource for advocacy, best practices, innovation and research, partnerships and collaborations, the Network strengthens agencies, so they can better serve their communities.

b. Basis of Presentation

The accompanying financial statements are presented in accordance with the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recognized when incurred.

The financial statement presentation is in accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958, *Not-for-profit Entities*, and the provisions of Accounting Standards Update 2016-14 *Not-For-Profit Entities (Topic 958): Presentation of Financial Statement of Not-For Profit Entities*.

The Organization classifies resources for accounting and reporting purposes into one of two net asset categories according to external (donor) imposed restrictions: net assets without donor restrictions and net assets with donor restrictions. For the years ended December 31, 2019 and 2018, the Organization had no net assets with donor restrictions.

c. Cash and Cash Equivalents

The Organization considers all short-term highly liquid investments with an original maturity of three months or less to be cash and cash equivalents.

d. Accounting Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

e. Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to expense and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The allowance for doubtful accounts totaled $750 and $369 for the years ended December 31, 2019 and 2018, respectively.

f. Property and Equipment

Property and equipment are recorded at cost. The cost is depreciated over the estimated useful lives, ranging from three to five years, utilizing the straight-line method. Additions and improvements are capitalized over a threshold of $1,500, whereas costs of maintenance and repairs are charged to expense as incurred.

g. Revenue Recognition

The Organization bills membership dues and recognizes revenue on a monthly basis. Dues are assessed to each member agency based on 0.5% for those agencies with prior year's personnel costs under $2.5 million, with dues not to be less than $500. For agencies with prior year's personnel costs over $2.5 million, membership dues are assessed based on 1% of personnel costs, with dues not to exceed $12,500. If a portion of membership dues are received in advance, recognition of that revenue is deferred to the Network's year for which the dues are intended.

h. Income Tax Status

The Organization is a non-profit corporation, exempt from federal income taxes under Section 501 (c)(3) of the Internal Revenue Code. Accordingly, no provision for federal or state income taxes has been recorded in the financial statements.

Management evaluated the Organization's tax positions and concluded that the Organization had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. With few exceptions, the Organization is not subject to income tax examinations by the U.S. federal, state, or local tax authorities unless the Organization was engaged in activities that would generate unrelated business income.

i. Functional Expenses

The cost of providing the various programs and supporting services has been summarized on a functional basis in the statement of activities and changes in net assets, and in the statement of functional expenses. Accordingly, certain expenses have been allocated among the programs and supporting services benefited based upon employee time on functions relating to the specific activity, or in the case of shared expense, using an allocation based on management's estimation of personnel costs, usage, or other relevant bases. Depreciation is allocated based on the function the asset services.

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

j. Foreign Deposits

Certain dues collected are maintained in a Canadian bank account. That deposit amount is subject to currency fluctuations in future periods.

k. Concentration of Credit Risk

The Network maintains its temporary cash and money market accounts with creditworthy, high quality financial institutions. At times these accounts may exceed Federal Deposit Insurance Corporation ("FDIC") insured limits.

l. Pending Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606). This standard outlines a single comprehensive model for companies to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The core principle of the revenue model is that revenue is recognized when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. Transfer of control is not the same as transfer of risks and rewards, as it is considered in current guidance. The Organization will also need to apply new guidance to determine whether revenue should be recognized over time or at a point in time. This standard will be effective for annual reporting periods beginning after December 15, 2019, using either of two methods: (a) retrospective to each prior reporting period presented with the option to elect certain practical expedients as defined within ASU 2014-09; or (b) retrospective with the cumulative effect of initially applying ASU 2014-09 recognized at the date of initial application and providing certain additional disclosures as defined in ASU 2014-09. The Organization has not yet selected a transition method and is currently evaluating the impact of the pending adoption of ASU 2014-09 on the financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). The guidance in this ASU supersedes the leasing guidance in Topic 840, Leases. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. The new standard is effective for fiscal years beginning after December 15, 2021, and to interim periods within fiscal years beginning after December 15, 2022. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Organization is currently evaluating the impact of the pending adoption of the new standard on the financial statements.

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

m. Newly Adopted Accounting Pronouncements

The Organization adopted ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU clarifies whether contributions and grants are subject to ASC 605 or ASC 958-605. The standard was adopted for the fiscal year ended December 31, 2019.

n. Evaluation of Subsequent Events

The Organization evaluated subsequent events through July 7, 2020, the date the financial statements were available to be issued.

Note 2 - Liquidity and Availability

The Organization has $506,302 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures, consisting of cash of $488,052 and accounts receivable of $18,250. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date. The Organization's practice is to manage financial assets to be available for its general expenditures, liabilities, and other obligations. In the event of an unanticipated liquidity need, the Organization could also draw upon its available line of credit.

Note 3 - Concentration of Credit Risk

The Organization maintains its cash in bank deposit accounts, which at times, may exceed federally insured limits. The Organization has not had any losses relative to these cash balances in 2019 or 2018.

Note 4 - Investments

Investments consisted of the following as of December 31, 2019 and 2018:

	December 31, 2019		
	Cost	Fair Value	Cumulative Unrealized Gain/(Loss)
Temporarily invested cash	$ 1,337	$ 1,337	$ -
Exchange traded funds (ETF)	113,156	146,700	33,544
Total investments	$ 114,493	$ 148,037	$ 33,544

Note 4 - Investments - Continued

	December 31, 2018		
	Cost	Fair Value	Cumulative Unrealized Gain/(Loss)
Temporarily invested cash	$ 840	$ 840	$ -
Exchange traded funds (ETF)	93,557	108,339	14,782
Total investments	$ 94,397	$ 109,179	$ 14,782

Investment income included in the change in net assets for the years ended December 31, 2019 and 2018 are as follows:

	Year Ended December 31,	
	2019	2018
Realized and unrealized gain/(loss)	$ 37,701	$ (6,164)
Interest income	2,735	2,486
Total investment income (loss)	$ 40,436	$ (3,678)

Note 5 - 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. The framework provides a fair value and defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the “exit price”) in an orderly transaction between market participants.

In determining fair value, the Network uses various valuation approaches, including market, income, and/or cost approaches. 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 the topic are described below:

Level 1 - Quoted prices for identical assets or liabilities in active markets.

Level 2 - Quoted prices of similar instruments in active markets; quoted prices of identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.

Level 3 - Significant inputs to the valuation model are unobservable.

The following is a description of the valuation methodology used for assets measured at fair value as of December 31, 2019.

Equity securities are valued based on quoted market prices. Such investments are included in Level 1 of the fair value hierarchy. The financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The valuation levels are not necessarily an indication of the risk or liquidity associated with the underlying assets and liabilities.

Note 5 - Fair Value Measurements - Continued

The following tables set forth, by level, the Network's assets at fair value, within the aforementioned fair value hierarchy as of December 31, 2019 and 2018:

	December 31, 2019			
	Level 1	Level 2	Level 3	Total
Exchange traded funds (ETF)	$ 146,700	$ -	$ -	$ 146,700

	December 31, 2018			
	Level 1	Level 2	Level 3	Total
Exchange traded funds (ETF)	$ 108,339	$ -	$ -	$ 108,339

Note 6 - Line of Credit

The Network has a line of credit agreement with a bank in the amount of $50,000, which matures on August 8, 2021. The line of credit has a variable interest rate based on the prime interest rate at year end. There were on borrowings or outstanding balance under the line as of December 31, 2019 and 2018, respectively.

Note 7 - Retirement Plan

The Network is a sponsor of a 403(b) defined contribution plan established pursuant to salary reduction agreements. All employees are eligible for participation under the terms of the plan, in which the Network provides 100% match up to 3% of employee contributions and 50% match for employee contributions between 3% and 5%. The Network contributions to the plan for the years ended December 31, 2019 and 2018 were $29,820 and $30,545, respectively.

The Network is a sponsor of a 457(b) deferred compensation plan and provides a match of 3% of employee compensation. The Network contributions to the plan for the year ended December 31, 2019 and 2018 were $6,416 and $4,010, respectively.

Note 8 - Lease Commitment

The Network leases its office facilities under a three-year lease agreement. The lease agreement expires in April 2020 with an option to renew for one additional year. Total rent expense was $25,200 for both years ended December 31, 2019 and 2018.

Scheduled future minimum lease payments under this operating lease are as follows:

For the years ending December 31,	
2020	$ 25,200
2021	8,400
	$ 33,600

Note 9 - Subsequent Events

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Organization operates. While it is unknown how long these conditions will last and what the complete financial effect will be to the Organization, to date, the Organization has not experienced a significant effect. However, there is a possibility of difficulty with future collection of membership dues.

Due to the above mentioned uncertainty, on May 15, 2020, the Organization was granted a loan (the "Loan") from PNC Bank in the amount of $74,400, pursuant to the Paycheck Protection Program (the “Program") under Division A, Title I of the CARES Act, which was enacted March 27, 2020. The Loan matures on May 15, 2022 and bears interest at a rate of 1% per annum. There is a Deferral period beginning on May 15, 2020 of six (6) months during which interest will accrue on the outstanding principal balance at the fixed rate. Neither principal nor interest will be due and payable during this time. At the end of the Deferral Period, all accrued interest that is not forgiven under the Program will be due. Also, at the end of the Deferral Period, the outstanding principal of the loan that is not forgiven under the Program will convert to an amortizing term loan. The Loan may be prepaid by the Organization at any time prior to maturity with no prepayment penalties. Funds from the Loan may only be used to retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments. Under the terms of the PPP, certain amounts of the Loan may be forgiven if they are used for qualifying expenses as described in the CARES Act.