JEWISH ADOPTION AND FOSTER CARE OPTIONS, INC.
JAFCO CHILDREN'S FOUNDATION, INC.
JAFCO RESPITE AND FAMILY RESOURCE CENTER FOR CHILDREN WITH DEVELOPMENTAL DISABILITIES, INC.
JAFCO-JEWISH ADOPTION AND FAMILY CARE OPTIONS, INC.

COMBINED FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

Year Ended December 31, 2020

C O N T E N T S

C O N T E N T S (*Continued*)

MSL
Certified Public Accountants

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Trustees of
Jewish Adoption and Foster Care Options, Inc.
JAFCO Children's Foundation, Inc.
JAFCO Respite and Family Resource Center for Children
with Developmental Disabilities, Inc.
JAFCO-Jewish Adoption and Family Care Options, Inc.
Sunrise, Florida

Report on the Financial Statements

We have audited the accompanying combined financial statements of Jewish Adoption and Foster Care Options, Inc., JAFCO Children's Foundation, Inc., JAFCO Respite and Family Resource Center for Children with Developmental Disabilities, Inc., and JAFCO-Jewish Adoption and Family Care Options, Inc. (nonprofit organizations) (collectively the "Agency"), which comprise the combined statement of financial position as of December 31, 2020, and the related combined statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined financial statements based on our audits. We conducted our audits 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 audits to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined financial statements.

To the Board of Trustees of
Jewish Adoption and Foster Care Options, Inc.
JAFCO Children's Foundation, Inc.
JAFCO Respite and Family Resource Center for Children
with Developmental Disabilities, Inc.
JAFCO-Jewish Adoption and Family Care Options, Inc.

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 combined financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Agency as of December 31, 2020, and the combined changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The combined financial statements of the Agency as of and for the year ended December 31, 2019, were audited by other auditors whose report dated May 5, 2020 expressed an unmodified opinion on those combined financial statements.

As discussed in Note 15 to the combined financial statements, the Agency has restated its beginning net assets previously reported on the December 31, 2019 combined financial statements in order to apply the correction of errors related to the recording of pledges receivable, beneficial interest in split interest trusts, adjustments for doubtful pledges receivables, net present value discounts on pledges receivable, accruing deferred compensation and reclassifications between net assets with and without donor restrictions. The other auditors reported on the 2019 combined financial statements before the correction. As part of our audit of the 2020 combined financial statements, we also audited the adjustments described in Note 15 that were applied to correct the net assets opening balances. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the Agency's 2019 combined financial statements other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2019 combined financial statements as a whole.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The supplementary schedules on pages 21 to 30 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

To the Board of Trustees of
Jewish Adoption and Foster Care Options, Inc.
JAFCO Children's Foundation, Inc.
JAFCO Respite and Family Resource Center for Children
with Developmental Disabilities, Inc.
JAFCO-Jewish Adoption and Family Care Options, Inc.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2021, on our consideration of the Agency's internal control over financial reporting and on 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 the Agency'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 the Agency's internal control over financial reporting and compliance.

MSL, P.A.
Certified Public Accountants

Fort Lauderdale, Florida
June 28, 2021

JEWISH ADOPTION AND FOSTER CARE OPTIONS, INC.
JAFCO CHILDREN'S FOUNDATION, INC.
JAFCO RESPITE AND FAMILY RESOURCE CENTER
FOR CHILDREN WITH DEVELOPMENTAL DISABILITIES, INC.
JAFCO-JEWISH ADOPTION AND FAMILY CARE OPTIONS, INC.

COMBINED STATEMENT OF FINANCIAL POSITION

December 31, 2020

ASSETS

CURRENT ASSETS		
Cash		$ 3,960,769
Investments		13,659,623
Pledges receivable, net		2,660,512
Grants receivable		899,549
Prepaid expenses		80,632
	TOTAL CURRENT ASSETS	21,261,085
PROPERTY AND EQUIPMENT, net		17,077,983
PLEDGES RECEIVABLE, net, less current portion		8,011,970
BENEFICIAL INTEREST IN SPLIT-INTEREST TRUSTS		1,713,758
OTHER ASSETS		109,495
	TOTAL ASSETS	$ 48,174,291

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued expenses		$ 393,326
Loan payable - paycheck protection program		1,499,400
Deferred revenue		162,449
	TOTAL CURRENT LIABILITIES	2,055,175
OTHER LIABILITIES		942,920
	TOTAL LIABILITIES	2,998,095
NET ASSETS		
Without donor restrictions		26,218,452
With donor restrictions		18,957,744
	TOTAL NET ASSETS	45,176,196
	TOTAL LIABILITIES AND NET ASSETS	$ 48,174,291

The accompanying notes are an integral part of the combined financial statements.

JEWISH ADOPTION AND FOSTER CARE OPTIONS, INC.
JAFCO CHILDREN'S FOUNDATION, INC.
JAFCO RESPITE AND FAMILY RESOURCE CENTER FOR CHILDREN WITH DEVELOPMENTAL DISABILITIES, INC.
JAFCO-JEWISH ADOPTION AND FAMILY CARE OPTIONS, INC.

COMBINED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended December 31, 2020

	NET ASSETS WITHOUT DONOR RESTRICTIONS	NET ASSETS WITH DONOR RESTRICTIONS	TOTAL
TOTAL REVENUES AND OTHER SUPPORT			
Grants	$ 5,197,247	$ -	$ 5,197,247
Donations	5,805,896	5,645,584	11,451,480
Client fees	70,430	-	70,430
Investment income	450,322	-	450,322
TOTAL REVENUES AND OTHER SUPPORT	11,523,895	5,645,584	17,169,479
NET ASSETS RELEASED FROM RESTRICTION	1,943,893	(1,943,893)	-
OPERATING EXPENSES			
Program	9,745,456	-	9,745,456
Fundraising	1,648,740	-	1,648,740
Management and general	1,085,485	-	1,085,485
TOTAL OPERATING EXPENSES	12,479,681	-	12,479,681
CHANGES IN NET ASSETS	988,107	3,701,691	4,689,798
NET ASSETS AT BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	9,436,353	30,068,096	39,504,449
PRIOR PERIOD ADJUSTMENT	15,793,992	(14,812,043)	981,949
NET ASSETS AT BEGINNING OF YEAR, RESTATED	25,230,345	15,256,053	40,486,398
NET ASSETS AT END OF YEAR	$ 26,218,452	$ 18,957,744	$ 45,176,196

The accompanying notes are an integral part of the combined financial statements.

JEWISH ADOPTION AND FOSTER CARE OPTIONS, INC.
JAFCO CHILDREN'S FOUNDATION, INC.
JAFCO RESPITE AND FAMILY RESOURCE CENTER
FOR CHILDREN WITH DEVELOPMENTAL DISABILITIES, INC.
JAFCO-JEWISH ADOPTION AND FAMILY CARE OPTIONS, INC.

COMBINED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2020

		SUPPORTING SERVICES			
	PROGRAM SERVICES	FUNDRAISING	GENERAL & ADMINI-STRATIVE	TOTAL SUPPORT SERVICES	TOTAL
Salaries and related expenses	$ 6,524,301	$ 724,922	$ 805,469	$ 1,530,391	$ 8,054,692
Client living and residential expenses	938,555	-	-	-	938,555
Fundraising expenses	-	513,135	-	513,135	513,135
Facility expenses	401,749	57,393	19,131	76,524	478,273
Insurance	343,441	-	85,860	85,860	429,301
Telephone and utilities	266,158	33,270	33,270	66,540	332,698
Office supplies and expenses	203,241	25,405	25,405	50,810	254,051
Professional fees	165,983	-	41,496	41,496	207,479
Rent	100,256	-	33,419	33,419	133,675
Provision for bad debt	-	118,400	-	118,400	118,400
Credit card charges	7,345	66,106	-	66,106	73,451
Training, screening and fees	56,790	7,099	7,099	14,198	70,988
Transportation and travel	30,982	5,809	1,936	7,745	38,727
License Fees	26,249	-	-	-	26,249
TOTAL EXPENSES BEFORE DEPRECIATION	9,065,050	1,551,539	1,053,085	2,604,624	11,669,674
DEPRECIATION	680,406	97,201	32,400	129,601	810,007
TOTAL EXPENSES	$ 9,745,456	$ 1,648,740	$ 1,085,485	$ 2,734,225	$ 12,479,681

The accompanying notes are an integral part of the combined financial statements.

JEWISH ADOPTION AND FOSTER CARE OPTIONS, INC.
JAFCO CHILDREN'S FOUNDATION, INC.
JAFCO RESPITE AND FAMILY RESOURCE CENTER FOR CHILDREN WITH DEVELOPMENTAL DISABILITIES, INC.
JAFCO-JEWISH ADOPTION AND FAMILY CARE OPTIONS, INC.

COMBINED STATEMENT OF CASH FLOWS

Year Ended December 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	$ 4,689,798
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	810,007
Change in unrealized loss on investments	34,390
Provision for doubtful accounts	118,400
Net present value discount on pledges receivable	37,942
Changes in operating assets and liabilities:	
Pledges receivable, net	519,101
Grants receivable	(51,358)
Prepaid expenses	115,573
Beneficial interest in split interest trust	(179)
Other assets	(100,941)
Accounts payable and accrued expenses	189,902
Deferred revenue	(174,833)
Other liabilities	34,696
NET CASH PROVIDED BY OPERATING ACTIVITIES	6,222,498
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales of investments	62,802
Purchases of investments	(4,599,198)
Purchase of property and equipment	(1,750,060)
NET CASH USED IN INVESTING ACTIVITIES	(6,286,456)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from issuance of loan payable	1,499,400
NET INCREASE IN CASH	1,435,442
CASH - BEGINNING OF YEAR	2,525,327
CASH - END OF YEAR	$ 3,960,769

The accompanying notes are an integral part of the combined financial statements.

NOTE 1 - NATURE OF THE ORGANIZATION AND BASIS OF PRESENTATION

Nature of the Organizations

Jewish Adoption and Foster Care Options, Inc. ("JAFCO") was incorporated in April 1992 under the laws of the State of Florida as a not-for profit voluntary agency exempt from income taxes under the Internal Revenue Code. At inception, JAFCO received a ruling from the Internal Revenue Service ("IRS") that it is a tax-exempt entity under Section 501(c)(3) of the Internal Revenue Code.

JAFCO is licensed by the Florida Department of Children and Families as a child placing agency to provide foster care and adoption services and as a child caring group residential group care agency to provide emergency shelter and group home services to children ages birth to 23 (from Broward, Miami Dade, and Palm Beach counties). JAFCO currently provides an entire continuum of programs and services for abused and neglected children and their families:

- Family Preservation/Family Strengthening/Case Management and Referral Services
- Foster/Adoptive Parent Recruitment, Training and Licensing/Home Studies
- Foster Care Placement, Supervision and Support
- Adoption Placement and Post Adoption Support Services
- Emergency Shelter (for youth ages birth to 12)
- Group Home Program (for youth ages 6 to 23)
- Senior Caregiver Program (for grandparents raising their grandchildren)
- MST- Multi Systemic Therapy (in home family therapy program)
- Outpatient Therapy Program
- Independent Living Program for youth aging out of foster care
- Wellness and trauma education

JAFCO Children's Foundation Inc. ("Foundation") was incorporated in March 2004 under the laws of the State of Florida as a not-for-profit voluntary agency exempt from income taxes under the Internal Revenue Code. At inception, the Foundation received a ruling from the IRS that it is a tax-exempt entity under Section 501(c)(3) of the Internal Revenue Code. The sole purpose of the Foundation is to provide funding and support for JAFCO approved programs listed in its bylaws.

JAFCO Respite and Family Resource Center for Children with Developmental Disabilities, Inc. ("Ability Center") was incorporated in March 2012 under the laws of the State of Florida as a not-for-profit voluntary agency exempt from income taxes under the Internal Revenue Code. At inception, the Ability Center received a ruling from the IRS that it is a tax-exempt entity under Section 501(c)(3) of the Internal Revenue Code.

Nature of the Organizations ***(Continued)***

The Ability Center is licensed by the Florida Department of Children and Families and contracted with to provide family enrichment, resources and respite care to families (from Broward, Dade, and Palm Beach) raising a child (age birth to 22) with a developmental disability (including Autism, Cerebral Palsy, Spina Bifida, Intellectual Disabilities and Prader Willi) including the following services:

- Family Support/Case Management and Referral/Crisis Support
- Respite Care/Day, Overnight, Weekend and Extended Respite
- Parent Education and Training
- Life Skills and Social Skills Training
- Social activities for parents and children
- 24-hour on-call crisis support for families
- Day and overnight summer camp, winter camp, spring break camp and gap camps
- After school and weekend enrichment activities for children
- Support Groups
- Illuminate Event Center provides employment for young adults with developmental disabilities and revenue for the Ability Center.

JAFCO-Jewish Adoption and Family Care Options, Inc. ("Northeast") was incorporated in May 2013 under the Commonwealth of Pennsylvania as a not-for-profit voluntary agency. At inception, Northeast received a ruling from the IRS that it is a tax exempt entity under Section 50l(c)(3) of the Internal Revenue Code.

Northeast is licensed by the Pennsylvania Department of Human Services to be able to provide foster care and adoption services in the Greater Philadelphia area. Northeast currently provides an entire continuum of programs and services for at-risk children and those with developmental disabilities and their families including the following:

- Family Preservation/Case Management Services for at risk children and families
- In home support services
- 24-hour on-call crisis support for families
- Supervised visitation as ordered by the court
- Support groups for parents and siblings of children with developmental disabilities
- Social and life skills training for children with developmental disabilities

Basis of Presentation

The combined financial statements include the accounts of JAFCO, the Foundation, Ability Center, and Northeast (collectively, the "Agency"). All significant inter-organization accounts and transactions between the Agency have been eliminated in the combined financial statements.

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies followed by the Agency in the preparation of its combined financial statements:

Basis of Accounting

The combined financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Net Assets

Net assets are presented based on the existence or absence of donor-imposed restrictions. In these combined financial statements, net assets are reported as follows:

<u>*Net assets without donor restrictions*</u> - Net assets that are not subject to donor-imposed restrictions. The Agency's board may designate assets without restrictions for specific purposes from time to time. The Agency did not have a material amount of board designated net assets at December 31, 2020.

<u>*Net assets with donor restrictions*</u> - Net assets whose use is subject to donor-imposed stipulations for a particular purpose or period of time. Donor restrictions can be temporary in nature and fulfilled by actions or by the passage of time, or can be perpetual and be maintained permanently by the Agency. Net assets with donor restrictions that are perpetual in nature, and consist of endowments (see Note 11), were approximately $3,400,000 at December 31, 2020.

Investments

Investments are reported at fair value. Fair value is determined using the quoted closing or latest bid prices on active exchanges, if available. Realized gains and losses are calculated based in proceeds received less cost. The cost of securities sold is based on the average cost method. Investment income on the statements of actives and changes in net assets includes dividends, interest and realized and changes in net unrealized gains and losses.

Pledges Receivable

Unconditional pledges to give cash and other assets (including multi-year pledges) are recognized at fair value in the period the pledge is made. Pledges to be received over more than one year are measured at the present value of estimated future cash flows. The discount rate used in the present value computation at December 31, 2020 was 3.50%.

Property and Equipment

Property and equipment are recorded at cost, if purchased, or at fair market value at the date of gift, if donated. Depreciation and amortization are provided using the straight-line method over the shorter of the lease terms or estimated useful lives of the various classes of assets: 39 years for buildings, between 7 and 22 years for building improvements, between 3 and 10 years for furniture, equipment, and vehicles. Expenditures that improve or extend the life of property and equipment are capitalized.

Property and Equipment *(Continued)*

The cost of maintenance, repairs, and recurring replacements are charged to operations as incurred.

Property and equipment purchased with government grants are classified as unrestricted net assets, when the likelihood of the return of the assets to the government is considered remote and there are no specific requirements.

Impairment of Long-Lived Assets

The Agency reviews long-lived assets for impairment whenever events or circumstances indicate that the carrying amounts may be overstated. The Agency recognizes impairment losses if the undiscounted cash flows expected to be generated by the asset are less than the carrying value of the related asset. The impairment loss adjusts the assets to fair value. As of December 31, 2020, management believes that no impairments existed.

Revenue Recognition

Contributions

Gifts of cash and other assets received with donor stipulations that limit the use of the donated assets are reported as a restricted contribution. When a restriction ends, or the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the combined statements of activities and changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same period in which they are received are reported in net assets without donor restrictions.

Contributions of services are recognized as revenue at their estimated values at the date of receipt if the services received create or enhance nonfinancial assets or require a specialized skill and would typically need to be purchased if not provided by the donation.

Grant Revenue

The Agency receives grants from a number of sources including government agencies, private foundations and other donors. Grants are evaluated as to whether they qualify as exchange transactions or contributions as defined by accounting principles generally accepted in the United States of America based on the terms of the grant, which generally provides the revenue is earned when the related services are provided or the costs are incurred, which is when the performance obligations have been met.

Income Taxes

The Agency has been recognized by the IRS as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and corresponding state tax law. Accordingly, income earned in furtherance of the Agency's tax-exempt purpose is exempt from federal and state income taxes and, therefore, these combined financial statements include no provision or liability for income taxes.

Functional Allocation of Expenses

The combined statements of functional expenses for the year ended December 31, 2020 allocates the Agency's expenses between those incurred in connection with program related services and supporting related services. These expenses have been allocated using a reasonable basis, including time and effort estimates, square footage usage, and specific identification, when applicable.

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 the reported amounts and disclosures in the combined financial statements. Actual results could differ from those estimates.

Beginning Net Assets Restatement

The opening combined net assets were restated for certain adjustments resulting from corrections of errors (see Note 15).

Accounting Pronouncement Not Yet Adopted

The Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-02, *Leases* ("New Lease Standard"). The new standard amends leasing guidance by requiring companies to recognize a right-of-use asset and a lease liability for all operating and capital (finance) leases with lease terms greater than twelve months. Under the New Lease Standard, the new guidance would have been effective for the Agency as of January 1, 2021. In June 2020, the FASB issued ASU 2020-05, which allows certain nonprofit entities the option defer the adoption of the New Lease Standard due to the coronavirus pandemic. The Agency has elected to defer the implementation of the New Lease Standard pursuant to ASU 2020-05, and the new guidance is effective for the Agency as of January 1, 2022. The Agency is continuing to evaluate the impact the guidance will have on their combined financial statements.

Subsequent Events

The Agency has evaluated subsequent events for recording and disclosure in these combined financial statements through June 28, 2021, which is the date the combined financial statements were available to be issued.

NOTE 3 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Agency's financial assets as of the combined statement of financial position date, without limitations on use, reduced by amounts not available for general use because of contractual or donor-imposed restrictions.

Cash	$ 3,960,769
Investments	13,659,623
Pledges receivable, current	2,660,512
Grants receivable	899,549
Less financial assets unavailable for general expenditures within one year, due to:	
Donor restricted for various purposes	(18,957,744)
Financial assets available to meet cash needs for general expenditures within one year	$ 2,222,709

As part of the Agency's liquidity management policy, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations become due. Additionally, excess cash is routinely invested in a portfolio of investment instruments to increase earnings. The investment portfolio includes investments readily convertible into cash to manage unanticipated liquidity needs. The Agency has not experienced significant liquidity issues in the past, and it is expected that the Agency will be able to meet day-to-day cash needs for general expenditures within one year of the balance sheet date. During the year ended December 31, 2020, the Agency received funds from the federal government related to the coronavirus pandemic. See Note 9 for restrictions on the use of these funds and potential repayment of these funds.

NOTE 4 - FAIR VALUE MEASUREMENTS

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment. Changes in assumptions and in the Agency's operating environment could significantly affect these estimates.

NOTE 4 - FAIR VALUE MEASUREMENTS *(Continued)*

The fair value of financial instruments is presented based upon a hierarchy of levels that prioritize the inputs of 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 are described as follows:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 Inputs other than quoted prices in active markets within Level 1 that are either directly or indirectly observable, including quoted prices for similar assets or liabilities in active markets.

Level 3 Significant, unobservable inputs for the asset or liability in which little or no market data exists.

A 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 carrying amounts of the Agency's short-term financial instruments approximate their fair value. The carrying amount of the loan payable – paycheck protection program approximates its fair value based on the Agency recently entering into the loan agreement.

If available, quoted market prices are used to value investments. Equity and fixed income securities are valued at the closing price reported on the most active market on which the individual securities are traded. Beneficial interest in split-interest trust is valued based on the value of the underlying assets owned by the trust, minus its liabilities, and then multiplied by the Agency's allocated percentage.

The following table presents the fair value measurements of financial instruments measured on a recurring basis as of December 31, 2020:

	Level 1	**Level 2**	**Level 3**	**Total**
Cash and money market funds	$ 10,259,007	$ -	$ -	$ 10,259,007
Domestic equities	647,031	-	-	647,031
Fixed income	1,032,537	-	-	1,032,537
International equities	838,189	-	-	838,189
Total investments in the fair value hierarchy	12,776,764	-	-	12,776,764
Investments measured at NAV				882,859
Total investments				13,659,623
Beneficial interest in split-interest trusts	-	1,713,758	-	1,713,758
Total financial instruments	$ 12,776,764	$1,713,758	$ -	$ 15,373,381

NOTE 4 - FAIR VALUE MEASUREMENTS *(Continued)*

Financial assets valued using level 1 inputs are based on unadjusted quoted market prices within active markets. Valuation techniques utilized to determine fair value are consistently applied. All assets have been valued using a market approach. There were no withdrawals from the beneficial interest in split-interest trust. None of the investments measured at NAV have any unfunded commitments.

The following table summarizes investments measured at fair value using the NAV per share as a practical expedient as of December 31, 2020:

Investment Type	Fair Value	Redemption Frequency	Holdback Provision	Redemption Notification
Alternative investment:				
US Real Property Income Fund	$ 647,189	Quarterly	-	90 day
SEI Core Property Fund	183,753	Quarterly	-	95 day
SEI Structured Credit Fund	51,917	Monthly	-	65 day
Total investments measured at NAV	$ 882,859			

NOTE 5 - INVESTMENTS

The Agency records investment earnings, gains, and losses on the accompanying combined statements of activities and changes in net asset as incurred. The cost basis of the investments at December 31, 2020 was approximately $15,355,000. Investment income for the year ended December 31, 2020 consists of the following:

Change in unrealized losses	$ (34,390)
Realized gain on investments	288,219
Interest and divided income, net of expenses	196,493
Investment income	$ 450,322

NOTE 6 - PLEDGES RECEIVABLE, NET

Total pledges receivable, net, as of December 31, 2020 were as follows:

Gross pledges receivable	$ 11,856,290
Less allowance for uncollectable pledges	(198,200)
Less discounts to net present value	(985,608)
Net pledges receivable	$ 10,672,482
Amounts due in:	
Less than one year	$ 2,660,512
One to five years	5,869,040
More than five years	2,142,930
Net pledges receivable	10,672,482
Less current portion	(2,660,512)
Long-term portion	$ 8,011,970

NOTE 7 - PROPERTY AND EQUIPMENT, NET

Property and equipment, net, at December 31, 2020 is comprised of the following:

Land	$ 2,455,850
Buildings	14,692,596
Furniture and equipment	5,075,254
Vehicles	244,932
	22,468,632
Less accumulated depreciation and amortization	(5,536,771)
	16,931,861
Construction in progress	146,122
Property and equipment, net	$ 17,077,983

Depreciation and amortization of property and equipment approximated $810,000 for the year ended December 31, 2020. During 2020, the Agency entered into a contractual agreement for the building of two respite homes totaling approximately $3,304,000. As of December 31, 2020, the Agency has incurred costs of approximately $146,000 of construction in progress relating to the project.

NOTE 8 - BENEFICIAL INTEREST IN SPLIT-INTEREST TRUSTS

The Agency is a beneficiary of two charitable trust agreements. The donors of the trusts receive quarterly pay-outs from the trust, with the Agency retaining legal ownership of the trust assets. The Agency recorded its beneficial interest in the charitable trusts of $1,713,758 at December 31, 2020. The Agency has recorded a net annuity liability relating to the future payouts from the trusts of approximately $839,000 as of December 31, 2020, which is recorded within other liabilities in the accompanying combined statement of financial position.

NOTE 9 - LOAN PAYABLE – PAYCHECK PROTECTION PROGRAM

In May 2020, JAFCO entered into a subordinated unsecured loan pursuant to the Paycheck Protection Program ("PPP") with a financial institution in the amount of $1,499,400 (the "PPP Loan"). The PPP Loan has a maturity date of May 15, 2022. The PPP Loan accrues interest at a fixed rate of 1% per annum. The amounts borrowed can be forgiven if JAFCO complies with certain requirements stipulated by the PPP. JAFCO's application for full forgiveness of the PPP Loan was approved in June 2021. JAFCO has recorded the PPP Loan as current debt as of December 31, 2020 and will recognize the loan as revenue in the next fiscal period.

On May 25, 2021, JAFCO entered into a loan agreement with a lender for $750,000 as a second draw from the PPP. The loan will accrue interest at 1% annually and matures on May 25, 2026. JAFCO is complying with the spending guidelines towards ensuring the loan will be partially or entirely forgiven. JAFCO has not yet applied for loan forgiveness.

NOTE 10 - NET ASSETS WITH DONOR RESTRICTIONS

The Agency's net assets with donor restrictions consist of the following as of December 31, 2020:

With donor restrictions – temporary in nature:	
Subject to expenditure for specified purpose:	
Godparent	$ 5,547,001
D.D. Center	2,845,147
Circle of Hope	1,660,891
Village	459,137
Ability Center Capital Campaign	2,172,836
Cultural Arts	167,989
Mench	849,892
Capital Projects	647,189
Restricted earnings and deficits on endowment funds	332,730
Subject to expenditure for time restrictions	874,579
	$ 15,557,391
With donor restrictions – perpetual in nature:	
Endowment fund	$ 3,400,353
Total net assets with donor restrictions	$ 18,957,744

NOTE 11 - ENDOWMENTS

The Agency's endowments are made up of assets with donor-imposed restrictions. Net assets associated with these endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Agency interprets the Florida Uniform Prudent Management of Institutional Funds Act ("FUPMIFA") as requiring the preservation of the historical value of the original gift amount of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. The Agency considers the following factors in making a determination to appropriate or accumulate its endowment funds:

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

NOTE 11 - ENDOWMENTS *(Continued)*

The Agency has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Endowment assets include assets of donor-restricted funds that the Agency must hold in perpetuity. Under this policy, the endowment assets are invested in a manner that is intended to produce a moderate return while assuming a moderate level of investment risk.

To satisfy its long-term rate-of-return objectives, the Agency 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 Agency disburses funds as needed within the guidelines of the endowments. Over the long-term, the Agency expects the current spending policy to allow its endowments to grow. This is consistent with the Agency's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through new gifts and investment return.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or FUPMIFA requires the Agency to retain as a fund of perpetual duration. Cumulative deficiencies of this nature that are in excess of related restricted amounts are reported in net assets with donor restrictions. Cumulative deficiencies of this nature are reported in restricted earnings and deficits on endowment funds.

The Agency's change in endowment assets, which are included within net assets with donor restrictions, for the year ended December 31, 2020 are as follows:

	Total Endowments
Endowments at January 1, 2020	$ 1,190,639
Contributions	2,209,714
Investment returns	332,730
Endowments at December 31, 2020	$ 3,733,083

NOTE 12 - LEASES

The Agency has entered into lease agreements with unrelated third parties for office space. JAFCO's office space lease agreement commenced on April 1, 2020, with rental payments beginning on August 1, 2020 and having a term of six years, with one renewal term for an additional five years. The JAFCO lease calls for escalating payments of 4% per year. The Northeast lease agreement commenced on April 1, 2019 and has a term of three years, with a renewal term for an additional three years. The Northeast lease calls for fixed escalating payments of on each anniversary date.

NOTE 12 - LEASES *(Continued)*

Lease payments totaled approximately $134,000 for the year ended December 31, 2020. The future minimum lease payments as of December 31, 2020, approximate the following:

Year Ending December 31,	Amount
2021	$ 182,000
2022	99,000
2023	94,000
2024	96,000
2025	33,000
	$ 504,000

NOTE 13 - DEFERRED COMPENSATION AGREEMENT

The Agency has a non-qualified deferred compensation plan pursuant to section 457(f) of the Internal Revenue Code, which allows certain employees the option to defer a portion of their salary in accordance with the plan, i.e., until their retirement. The Agency incurred approximately $91,000 in deferred compensation for the year ended December 31, 2020. The Agency has recorded a corresponding asset and liability related to the deferred compensation plan of approximately $104,000 as of December 31, 2020, which are included within other assets and other liabilities, respectively, on the accompanying combined statement of financial position. JAFCO's liability to each employee covered by the plan is technically deferred until the vesting date, that generally occurs at the employee's retirement.

NOTE 14 - RETIREMENT PLAN

The Agency sponsors a 403(b) retirement plan (the "Plan") for the benefit of substantially all employees. All participating employees may elect to contribute a portion of their salary to the Plan. The Agency contributed approximately $44,000 to the Plan for the year ended for December 31, 2020, related to the Plan year 2019.

NOTE 15 - PRIOR PERIOD ADJUSTMENTS

The 2020 beginning net assets have been restated for certain adjustments that were corrections of errors. The adjustments include recording of pledges receivable, recording beneficial interest in split interest trusts, adjustments for doubtful pledges receivables, net present value discounts on pledges receivable, accruing deferred compensation and reclassifications between net assets with and without donor restrictions. These adjustments resulted in the following changes to the opening net assets on the 2020 combined financial statements:

Combined Statement of Financial Position

	As of December 31, 2019		
	Prior Stated Amount	As Restated	Adjustment
Net assets without donor restrictions	$ 9,436,353	$ 25,230,345	$ 15,793,992
Net assets with donor restrictions	$ 30,068,096	$ 15,256,053	$ (14,812,043)

NOTE 16 - COMMITMENTS AND CONTINGENCIES

Concentrations and Credit Risk

Financial instruments, which potentially subject the Agency to concentrations of credit risk, consist principally of cash, pledges receivable, net, grants receivable, and beneficial interest in split-interest trusts. The Agency maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits.

Investments are subject to the risk of market fluctuations. Investment securities are exposed to various risks, such as interest rate, counterparty nonperformance, market and credit risks. Due to the level of risk associated with certain investment securities, and market volatility, it is at least reasonably possible that changes in the values of investment securities will occur in the near term.

NOTE 17 - RISK AND UNCERTAINTIES

In 2019, a new coronavirus was identified as the cause of a disease (“COVID-19”). On March 11, 2020, the World Health Organization declared COVID-19 a pandemic. The effect of COVID-19 on the Agency’s future operational and financial performance will depend on developments associated with this disease, which are uncertain and difficult to predict.

SUPPLEMENTAL INFORMATION

JEWISH ADOPTION AND FOSTER CARE OPTIONS, INC.
JAFCO CHILDREN'S FOUNDATION, INC.
JAFCO RESPITE AND FAMILY RESOURCE CENTER
FOR CHILDREN WITH DEVELOPMENTAL DISABILITIES, INC.
JAFCO-JEWISH ADOPTION AND FAMILY CARE OPTIONS, INC.

COMBINING STATEMENT OF FINANCIAL POSITION

December 31, 2020

	JEWISH ADOPTION AND FOSTER CARE OPTIONS, INC.	JAFCO CHILDREN'S FOUNDATION, INC.	JAFCO RESPITE AND FAMILY RESOURCE CENTER FOR CHILDREN WITH DEVELOPMENTAL DISABILITIES, INC.	JAFCO-JEWISH ADOPTION AND FAMILY CARE OPTIONS, INC.	TOTAL BEFORE ELIMINATIONS	ELIMINATIONS	TOTAL
CURRENT ASSETS							
Cash	$ 558,018	$ 2,753,616	$ 628,775	$ 20,360	$ 3,960,769	$ -	$ 3,960,769
Investments	-	13,659,623	-	-	13,659,623	-	13,659,623
Pledges receivable, net	-	2,660,512	-	-	2,660,512	-	2,660,512
Grants receivable	409,642	37,475	452,432	-	899,549	-	899,549
Prepaid expenses	25,855	35,342	11,825	7,610	80,632	-	80,632
TOTAL CURRENT ASSETS	993,515	19,146,568	1,093,032	27,970	21,261,085	-	21,261,085
PROPERTY AND EQUIPMENT, net	39,593	16,973,231	62,639	2,520	17,077,983	-	17,077,983
PLEDGES RECEIVABLE, net, less current portion	-	8,011,970	-	-	8,011,970	-	8,011,970
BENEFICIAL INTEREST IN SPLIT-INTEREST TRUST	1,445,606	268,152	-	-	1,713,758	-	1,713,758
OTHER ASSETS	103,741	4,295	1,459	-	109,495	-	109,495
TOTAL ASSETS	$ 2,582,455	$ 44,404,216	$ 1,157,130	$ 30,490	$ 48,174,291	$ -	$ 48,174,291
CURRENT LIABILITIES							
Accounts payable and accrued expenses	$ 344,324	$ -	$ 42,981	$ 6,021	$ 393,326	$ -	$ 393,326
Loan payable - paycheck protection program	1,499,400	-	-	-	1,499,400	-	1,499,400
Deferred revenue	158,803	-	301	3,345	162,449	-	162,449
TOTAL CURRENT LIABILITIES	2,002,527	-	43,282	9,366	2,055,175	-	2,055,175
OTHER LIABILITIES	860,594	82,326	-	-	942,920	-	942,920
TOTAL LIABILITIES	2,863,121	82,326	43,282	9,366	2,998,095	-	2,998,095
NET ASSETS (DEFICIT)							
Without donor restrictions	(969,419)	26,052,899	1,113,848	21,124	26,218,452	-	26,218,452
With donor restrictions	688,753	18,268,991	-	-	18,957,744	-	18,957,744
TOTAL NET ASSETS (DEFICIT)	(280,666)	44,321,890	1,113,848	21,124	45,176,196	-	45,176,196
TOTAL LIABILITIES AND NET ASSETS (DEFICIT)	$ 2,582,455	$ 44,404,216	$ 1,157,130	$ 30,490	$ 48,174,291	$ -	$ 48,174,291

See Report of Independent Certified Public Accountants.

JEWISH ADOPTION AND FOSTER CARE OPTIONS, INC.
JAFCO CHILDREN'S FOUNDATION, INC.
JAFCO CHILDREN'S ABILITY CENTER, INC.
FOR CHILDREN WITH DEVELOPMENTAL DISABILITIES, INC.
JAFCO-JEWISH ADOPTION AND FAMILY CARE OPTIONS, INC.

COMBINING STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS (DEFICIT)

Year Ended December 31, 2020

	JEWISH ADOPTION AND FOSTER CARE OPTIONS, INC.	JAFCO CHILDREN'S FOUNDATION, INC.	JAFCO RESPITE AND FAMILY RESOURCE CENTER FOR CHILDREN WITH DEVELOPMENTAL DISABILITIES, INC.	JAFCO-JEWISH ADOPTION AND FAMILY CARE OPTIONS, INC.	TOTAL BEFORE ELIMINATIONS	ELIMINATIONS	TOTAL
REVENUES AND OTHER SUPPORT							
Grants	$ 2,202,269	$ -	$ 2,989,978	$ 5,000	$ 5,197,247	$ -	$ 5,197,247
Donations	3,672,855	6,771,257	625,570	381,798	11,451,480	-	11,451,480
Client fees	4,100	-	65,430	900	70,430	-	70,430
Investment income	-	450,322	-	-	450,322	-	450,322
Donations from related party	1,371,526	-	919,772	154,970	2,446,268	(2,446,268)	-
TOTAL REVENUES AND OTHER SUPPORT	7,250,750	7,221,579	4,600,750	542,668	19,615,747	(2,446,268)	17,169,479
EXPENSES							
Operating expenses	6,424,944	716,328	3,902,519	625,883	11,669,674	-	11,669,674
Depreciation expense	46,452	742,830	20,725	-	810,007	-	810,007
Donations to related parties	644,742	1,801,526	-	-	2,446,268	(2,446,268)	-
TOTAL EXPENSES	7,116,138	3,260,684	3,923,244	625,883	14,925,949	(2,446,268)	12,479,681
CHANGE IN NET ASSETS	134,612	3,960,895	677,506	(83,215)	4,689,798	-	4,689,798
NET ASSETS (DEFICIT) AT BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	(806,692)	39,770,460	436,342	104,339	39,504,449	-	39,504,449
PRIOR PERIOD ADJUSTMENT	391,414	590,535	-	-	981,949	-	981,949
NET ASSETS (DEFICIT) AT BEGINNING OF YEAR, RESTATED	(415,278)	40,360,995	436,342	104,339	40,486,398	-	40,486,398
NET ASSETS (DEFICIT) AT END OF YEAR	$ (280,666)	$ 44,321,890	$ 1,113,848	$ 21,124	$ 45,176,196	$ -	$ 45,176,196

See Report of Independent Certified Public Accountants.

JEWISH ADOPTION AND FOSTER CARE OPTIONS, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2020

ASSETS

CURRENT ASSETS		
Cash	$	558,018
Grants receivable		409,642
Prepaid expenses		25,855
TOTAL CURRENT ASSETS		993,515
PROPERTY AND EQUIPMENT, net		39,593
BENEFICIAL INTEREST IN SPLIT-INTEREST TRUST		1,445,606
OTHER ASSETS		103,741
TOTAL ASSETS	$	2,582,455

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable		344,324
Loan payable - paycheck protection program		1,499,400
Deferred revenue		158,803
TOTAL CURRENT LIABILITIES		2,002,527
OTHER LIABILITY		860,594
TOTAL LIABILITIES		2,863,121
NET ASSETS (DEFICIT)		
Without donor restrictions		(969,419)
With donor restrictions		688,753
TOTAL NET DEFICIT		(280,666)
TOTAL LIABILITIES AND NET DEFICIT	$	2,582,455

See Report of Independent Certified Public Accountants.

JEWISH ADOPTION AND FOSTER CARE OPTIONS, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET (DEFICIT) ASSETS

Year Ended December 31, 2020

	NET ASSETS WITHOUT DONOR RESTRICTIONS	NET ASSETS WITH DONOR RESTRICTIONS	TOTAL
TOTAL REVENUES AND OTHER SUPPORT			
Grants	$ 2,202,269	$ -	$ 2,202,269
Donations	3,521,484	151,371	3,672,855
Client fees	4,100	-	4,100
Donations from related party	1,371,526	-	1,371,526
TOTAL REVENUES AND OTHER SUPPORT	7,099,379	151,371	7,250,750
EXPENSES			
Operating expenses	6,424,944	-	6,424,944
Depreciation expense	46,452	-	46,452
Donations to related parties	644,742	-	644,742
TOTAL EXPENSES	7,116,138	-	7,116,138
CHANGES IN NET (DEFICIT) ASSETS	(16,759)	151,371	134,612
NET DEFICIT AT BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	(806,692)	-	(806,692)
PRIOR PERIOD ADJUSTMENT	(145,968)	537,382	391,414
NET (DEFICIT) ASSETS AT BEGINNING OF YEAR, RESTATED	(952,660)	537,382	(415,278)
NET (DEFICIT) ASSETS AT END OF YEAR	$ (969,419)	$ 688,753	$ (280,666)

See Report of Independent Certified Public Accountants.

JAFCO CHILDREN'S FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2020

ASSETS

CURRENT ASSETS	
Cash	$ 2,753,616
Investments	13,659,623
Pledges receivable, net	2,660,512
Grants receivable	37,475
Prepaid expenses	35,342
TOTAL CURRENT ASSETS	19,146,568
PROPERTY AND EQUIPMENT, net	16,973,231
CONTRIBUTIONS RECEIVABLE, net, less current portion	8,011,970
BENEFICIAL INTEREST IN SPLIT-INTEREST TRUST	268,152
OTHER ASSETS	4,295
TOTAL ASSETS	$ 44,404,216

LIABILITIES AND NET ASSETS

OTHER LIABILITIES	$ 82,326
NET ASSETS	
Without donor restrictions	26,052,899
With donor restrictions	18,268,991
TOTAL NET ASSETS	44,321,890
TOTAL LIABILITIES AND NET ASSETS	$ 44,404,216

See Report of Independent Certified Public Accountants.

JAFCO CHILDREN'S FOUNDATION, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended December 31, 2020

	NET ASSETS WITHOUT DONOR RESTRICTIONS	NET ASSETS WITH DONOR RESTRICTIONS	TOTAL
TOTAL REVENUES AND OTHER SUPPORT			
Donations	$ 1,277,044	$ 5,494,213	$ 6,771,257
Investment income	450,322	-	450,322
TOTAL REVENUES AND OTHER SUPPORT BEFORE RELEASES	1,727,366	5,494,213	7,221,579
NET ASSETS RELEASED FROM RESTRICTION	1,943,893	(1,943,893)	-
TOTAL REVENUES AND OTHER SUPPORT	3,671,259	3,550,320	7,221,579
EXPENSES			
Operating expenses	716,328	-	716,328
Depreciation expense	742,830	-	742,830
Donations to related parties	1,801,526	-	1,801,526
TOTAL EXPENSES	3,260,684	-	3,260,684
CHANGES IN NET ASSETS	410,575	3,550,320	3,960,895
NET ASSETS AT BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	9,702,364	30,068,096	39,770,460
PRIOR PERIOD ADJUSTMENT	15,939,960	(15,349,425)	590,535
NET ASSETS AT BEGINNING OF YEAR, RESTATED	25,642,324	14,718,671	40,360,995
NET ASSETS AT END OF YEAR	$ 26,052,899	$ 18,268,991	$ 44,321,890

See Report of Independent Certified Public Accountants.

JAFCO RESPITE AND FAMILY RESOURCE CENTER FOR CHILDREN WITH DEVELOPMENTAL DISABILITIES, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2020

ASSETS

CURRENT ASSETS		
Cash	$	628,775
Grants receivable		452,432
Prepaid expenses		11,825
TOTAL CURRENT ASSETS		1,093,032
PROPERTY AND EQUIPMENT, net		62,639
OTHER ASSETS		1,459
TOTAL ASSETS	$	1,157,130

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable		42,981
Due to related party		-
Deferred revenue		301
TOTAL LIABILITIES		43,282
NET ASSETS		
Without donor restrictions		1,113,848
TOTAL LIABILITIES AND NET ASSETS	$	1,157,130

See Report of Independent Certified Public Accountants..

JAFCO RESPITE AND FAMILY RESOURCE CENTER
FOR CHILDREN WITH DEVELOPMENTAL DISABILITIES, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended December 31, 2020

	NET ASSETS WITHOUT DONOR RESTRICTIONS	NET ASSETS WITH DONOR RESTRICTIONS	TOTAL
TOTAL REVENUES AND OTHER SUPPORT			
Grants	$ 2,989,978	$ -	$ 2,989,978
Donations	625,570	-	625,570
Client fees	65,430	-	65,430
Donations from related parties	919,772	-	919,772
TOTAL REVENUES AND OTHER SUPPORT	4,600,750	-	4,600,750
EXPENSES			
Operating expenses	3,902,519	-	3,902,519
Depreciation expense	20,725	-	20,725
TOTAL EXPENSES	3,923,244	-	3,923,244
CHANGES IN NET ASSETS	677,506	-	677,506
NET ASSETS AT BEGINNING OF YEAR	436,342	-	436,342
NET ASSETS AT END OF YEAR	$ 1,113,848	$ -	$ 1,113,848

See Report of Independent Certified Public Accountants.

JAFCO-JEWISH ADOPTION AND FAMILY CARE OPTIONS, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2020

ASSETS

CURRENT ASSETS			
Cash		$	20,360
Prepaid expenses			7,610
	TOTAL CURRENT ASSETS		27,970
PROPERTY AND EQUIPMENT, net			2,520
	TOTAL ASSETS	$	30,490

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES			
Accounts payable			6,021
Due to related parties			-
Deferred revenue			3,345
	TOTAL LIABILITIES		9,366
NET ASSETS			
Without donor restrictions			21,124
	TOTAL LIABILITIES AND NET ASSETS	$	30,490

See Report of Independent Certified Public Accountants.

JAFCO-JEWISH ADOPTION AND FAMILY CARE OPTIONS, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended December 31, 2020

	NET ASSETS WITHOUT DONOR RESTRICTIONS	NET ASSETS WITH DONOR RESTRICTIONS	TOTAL
TOTAL REVENUES AND OTHER SUPPORT			
Grants	$ 5,000	$ -	$ 5,000
Donations	381,798	-	381,798
Client fees	900	-	900
Donations from related parties	154,970	-	154,970
TOTAL REVENUES AND OTHER SUPPORT	542,668	-	542,668
EXPENSES			
Operating expenses	625,883	-	625,883
CHANGES IN NET ASSETS	(83,215)	-	(83,215)
NET ASSETS AT BEGINNING OF YEAR	104,339	-	104,339
NET ASSETS AT END OF YEAR	$ 21,124	$ -	$ 21,124

See Report of Independent Certified Public Accountants.

MSL

Certified Public Accountants

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS 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 Trustees of
Jewish Adoption and Foster Care Options, Inc.
JAFCO Children's Foundation, Inc.
JAFCO Respite and Family Resource Center for Children
with Developmental Disabilities, Inc.
JAFCO-Jewish Adoption and Family Care Options, Inc.
Sunrise, Florida

We have audited, in accordance with the 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 combined financial statements of Jewish Adoption and Foster Care Options, Inc., JAFCO Children's Foundation, Inc., JAFCO Respite and Family Resource Center for Children with Development Disabilities, Inc. and JAFCO-Jewish Adoption and Family Care Options, Inc. (nonprofit organizations) (collectively, the "Agency"), which comprise the combined balance sheet as of December 31, 2020, and the related combined statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements, and have issued our report thereon dated June 28, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the combined financial statements, we considered the Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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.

To the Board of Trustees of
Jewish Adoption and Foster Care Options, Inc.
JAFCO Children's Foundation, Inc.
JAFCO Respite and Family Resource Center for Children
with Developmental Disabilities, Inc.
JAFCO-Jewish Adoption and Family Care Options, Inc.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's combined 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 determination of combined financial statements 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 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

MSL, P.A.
Certified Public Accountants

Fort Lauderdale, Florida
June 28, 2021