

**GERIATRIC SERVICES, INC. AND AFFILIATE**

COMBINED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION

DECEMBER 31, 2020 AND 2019



**SOBEL & CO. LLC**  
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

# **GERIATRIC SERVICES, INC. AND AFFILIATE**

DECEMBER 31, 2020 AND 2019

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Trustees  
Geriatric Services, Inc. and Affiliate  
Teaneck, New Jersey

### **Report on the Financial Statements**

We have audited the accompanying combined financial statements of Geriatric Services, Inc. and Affiliate (“Organization”), both New Jersey nonprofit corporations, which comprise the combined statements of financial position as of December 31, 2020 and 2019, and the related combined statements of activities and changes in net assets, functional expenses, and cash flows for the years 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 combined 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 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 of 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 auditors’ 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 auditors consider internal control relevant to the Organization’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 Organization’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.

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 above present fairly, in all material respects, the financial position of Geriatric Services, Inc. and Affiliate as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying supplementary information, including the combining statements of financial position, the combining statements of activities and changes in net assets, and the combining statements of functional expenses on pages 24-29, is presented for purposes of additional analysis and is not a required part of the combined financial statements. The accompanying schedule of expenditures of federal awards on page 36, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for the purpose of additional analysis and is not a required part of the combined financial statements. In addition, the accompanying supplementary statement and schedules on pages 30-35, are presented for the purpose of additional analysis as required by the New Jersey Housing and Mortgage Finance Agency for Geriatric Services, Inc. only and are not a required part of the combined 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.

## ***Other Reporting Requirements by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report, dated July 1, 2021, on our consideration of the Organization'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 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 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 Organization's internal control over financial reporting and compliance.

Livingston, New Jersey  
July 1, 2021

*Sobel & Co., LLC*

Certified Public Accountants



**GERIATRIC SERVICES, INC. AND AFFILIATE**  
**COMBINED STATEMENTS OF FINANCIAL POSITION**

	<b>December 31,</b>	
	<b>2020</b>	<b>2019</b>
<b>ASSETS</b>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 404,250	\$ 27,884
Contributions receivable	234,500	101,577
Grant receivable	4,167	-
Accounts receivable	230,888	167,995
Prepaid expenses	-	3,377
Residents' personal needs allowance	10,979	10,979
Total Current Assets	<u>884,784</u>	<u>311,812</u>
Property and equipment, net	2,802,221	2,921,810
Loans receivable	11,614,050	11,614,050
Mortgage escrow deposits	311,446	347,309
Investments	557,458	578,702
Other assets	750	750
	<u>\$ 16,170,709</u>	<u>\$ 15,774,433</u>
<b>LIABILITIES AND NET ASSETS</b>		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 239,857	\$ 201,019
Prepaid residents' fees	6,253	23,041
Long-term debt, current portion	378,520	256,983
Residents' personal needs allowance	12,086	11,444
Total Current Liabilities	<u>636,716</u>	<u>492,487</u>
Long-term debt, net of current portion	13,854,117	13,826,660
Total Liabilities	<u>14,490,833</u>	<u>14,319,147</u>
COMMITMENTS AND CONTINGENCIES		
NET ASSETS:		
Without donor restrictions	713,271	660,413
With donor restrictions	966,605	794,873
Total Net Assets	<u>1,679,876</u>	<u>1,455,286</u>
	<u>\$ 16,170,709</u>	<u>\$ 15,774,433</u>

**GERIATRIC SERVICES, INC. AND AFFILIATE**  
**COMBINED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**

	Year Ended December 31, 2020			Year Ended December 31, 2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE AND OTHER SUPPORT:</b>						
Resident services revenue	\$ 2,501,265	\$ -	\$ 2,501,265	\$ 2,822,513	\$ -	\$ 2,822,513
Contributions	237,978	500,000	737,978	48,812	178,580	227,392
Government grants	547,538	-	547,538	75,900	-	75,900
Special event revenues, net	38,268	-	38,268	28,655	-	28,655
Interest income, net	8,917	-	8,917	14,092	-	14,092
Resident community fee	-	-	-	12,000	-	12,000
Unrealized and realized gain on investments	53,409	-	53,409	145,760	-	145,760
Miscellaneous income	11	-	11	-	-	-
	<u>3,387,386</u>	<u>500,000</u>	<u>3,887,386</u>	<u>3,147,732</u>	<u>178,580</u>	<u>3,326,312</u>
Net assets released from restrictions	328,268	(328,268)	-	124,113	(124,113)	-
Total Revenue and Other Support	<u>3,715,654</u>	<u>171,732</u>	<u>3,887,386</u>	<u>3,271,845</u>	<u>54,467</u>	<u>3,326,312</u>
<b>EXPENSES:</b>						
Program services	3,359,651	-	3,359,651	3,019,137	-	3,019,137
Management and general	271,436	-	271,436	283,395	-	283,395
Fundraising	31,709	-	31,709	66,300	-	66,300
Total Expenses	<u>3,662,796</u>	<u>-</u>	<u>3,662,796</u>	<u>3,368,832</u>	<u>-</u>	<u>3,368,832</u>
CHANGES IN NET ASSETS	52,858	171,732	224,590	(96,987)	54,467	(42,520)
NET ASSETS, Beginning of year	<u>660,413</u>	<u>794,873</u>	<u>1,455,286</u>	<u>757,400</u>	<u>740,406</u>	<u>1,497,806</u>
NET ASSETS, End of year	<u>\$ 713,271</u>	<u>\$ 966,605</u>	<u>\$ 1,679,876</u>	<u>\$ 660,413</u>	<u>\$ 794,873</u>	<u>\$ 1,455,286</u>

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

**GERIATRIC SERVICES, INC. AND AFFILIATE**  
**COMBINED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2020**

	<b>Program Services</b>	<b>Support Services</b>		<b>Total Program and Support Services</b>
		<b>Management and General</b>	<b>Fundraising</b>	
Salaries and wages	\$ 1,841,524	\$ 195,521	\$ 15,143	\$ 2,052,188
Managing agent fee	94,860	5,100	2,040	102,000
Payroll taxes	180,677	18,394	1,918	200,989
Employee benefits	220,594	12,370	2,858	235,822
Total Salaries and Related Expenses	2,337,655	231,385	21,959	2,590,999
Dietary expense	131,436	660	-	132,096
Laundry and linen	42,303	-	-	42,303
Insurance	86,812	3,860	1,101	91,773
Supplies	36,801	9,368	4,310	50,479
Repairs and maintenance	67,389	1,681	981	70,051
Waste disposal	9,780	244	142	10,166
Utilities	54,236	1,353	789	56,378
Telephone	12,442	1,433	73	13,948
Professional fees	36,060	1,892	429	38,381
Office expense	17,692	510	251	18,453
Depreciation expense	115,045	2,870	1,674	119,589
Interest expense	28,330	4,999	-	33,329
Service fees	24,887	5,346	-	30,233
Brightside Manor expansion	262,897	-	-	262,897
Rent expense	5,506	1,836	-	7,342
Grant expenses - TLC	65,371	-	-	65,371
Other expense	25,009	3,999	-	29,008
Total Functional Expenses	\$ 3,359,651	\$ 271,436	\$ 31,709	\$ 3,662,796

**GERIATRIC SERVICES, INC. AND AFFILIATE**  
**COMBINED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2019**

	<b>Program Services</b>	<b>Support Services</b>		<b>Total Program and Support Services</b>
		<b>Management and General</b>	<b>Fundraising</b>	
Salaries and wages	\$ 1,685,590	\$ 179,345	\$ 17,645	\$ 1,882,580
Managing agent fee	94,860	5,100	2,040	102,000
Payroll taxes	159,927	23,176	6,746	189,849
Employee benefits	201,751	20,674	10,427	232,852
Total Salaries and Related Expenses	2,142,128	228,295	36,858	2,407,281
Dietary expense	152,085	-	-	152,085
Laundry and linen	45,076	-	-	45,076
Insurance	70,804	6,673	3,790	81,267
Supplies	24,587	3,398	1,074	29,059
Repairs and maintenance	62,317	4,957	3,541	70,815
Waste disposal	6,234	496	354	7,084
Utilities	50,725	4,035	2,882	57,642
Telephone	14,589	2,996	418	18,003
Professional fees	26,997	3,571	1,215	31,783
Office expense	17,715	2,365	792	20,872
Depreciation expense	106,009	8,433	6,023	120,465
Interest expense	113,850	9,056	6,469	129,375
Service fees	33,885	3,882	1,660	39,427
Bad debt expense	-	1,517	-	1,517
Brightside Manor expansion	65,633	-	-	65,633
Rent expense	5,571	1,857	-	7,428
Grant expenses - TLC	58,940	-	-	58,940
Other expense	21,992	1,864	1,224	25,080
Total Functional Expenses	<u>\$ 3,019,137</u>	<u>\$ 283,395</u>	<u>\$ 66,300</u>	<u>\$ 3,368,832</u>



**GERIATRIC SERVICES, INC. AND AFFILIATE**  
**COMBINED STATEMENTS OF CASH FLOWS**

	<b>Year Ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
<b>CASH FLOWS PROVIDED BY (USED FOR):</b>		
<u>OPERATING ACTIVITIES:</u>		
Changes in net assets	\$ 224,590	\$ (42,520)
Adjustments to reconcile changes in net assets to net cash provided by (used for) operating activities:		
Depreciation	119,589	120,465
Bad debt expense	-	1,517
Unrealized and realized gain on investments	(53,409)	(145,760)
Changes in certain assets and liabilities:		
Contributions receivable	(132,923)	(55,407)
Grants receivable	(4,167)	175,000
Accounts receivable	(62,893)	(80,558)
Prepaid expenses	3,377	6,587
Accounts payable and accrued expenses	38,838	(35,870)
Prepaid residents' fees	(16,788)	13,276
Residents' personal needs allowance	642	183
Net Cash Provided by (Used for) Operating Activities	<u>116,856</u>	<u>(43,087)</u>
<u>INVESTING ACTIVITIES:</u>		
Purchase of property and equipment	-	(5,720)
Deposits in mortgage escrow funds	(42,760)	(108,586)
Disbursements from mortgage escrow funds	78,623	75,800
Purchases of investments	(104,844)	(427,380)
Proceeds from sale of investments	179,497	591,900
Net Cash Provided by Investing Activities	<u>110,516</u>	<u>126,014</u>
<u>FINANCING ACTIVITIES:</u>		
Proceeds from loan payable	159,900	-
Principal payments of mortgages payable	(10,906)	(92,079)
Net Cash Provided by (Used for) Financing Activities	<u>148,994</u>	<u>(92,079)</u>

**GERIATRIC SERVICES, INC. AND AFFILIATE**  
**COMBINED STATEMENTS OF CASH FLOWS (Continued)**

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	<b>Year Ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	376,366	(9,152)
CASH AND CASH EQUIVALENTS:		
Beginning of year	27,884	37,036
End of year	<u>\$ 404,250</u>	<u>\$ 27,884</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION:		
Cash paid during the year for interest	<u>\$ 33,329</u>	<u>\$ 129,375</u>

**GERIATRIC SERVICES, INC. AND AFFILIATE**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

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**NOTE 1 - NATURE OF BUSINESS:**

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Geriatric Services, Inc. (“GSI”) is governed by a Board of Trustees. GSI operates a 65-bed assisted-living facility licensed and regulated by the New Jersey Department of Health and Senior Services. GSI provides resident services to the elderly, emphasizing personal care, recreation and nutrition programs. The facility, operated by GSI, located in Teaneck, New Jersey, is known as Bright Side Manor.

In 2003, GSI completed a project to expand and renovate Bright Side Manor at a cost of approximately \$3.7 million, financed primarily through a tax-exempt bond obligation issued by the New Jersey Housing and Mortgage Finance Agency (“NJHMFA”). This project significantly increased the capacity of the facility and has enabled GSI to qualify as an assisted-living facility and, thereby, qualify its eligible residents for Medicaid subsidies.

The combined financial statements include those of Geriatric Services, Inc. and Geriatric Living Solutions, Inc. (“GLS”) (collectively, “Organization”), both of which are New Jersey not-for-profit corporations in which Geriatric Services, Inc. exercises control. GLS was incorporated in March 2014 and was established exclusively for the purpose of operating a portable assisted-living service (“PALS”) program that provides assisted-living services in subsidized housing for elderly or other persons in need, with services specifically designed to meet their physical, social, and psychological needs. Both organizations are under common management and the majority of members of the Board of Trustees for Geriatric Living Solutions, Inc. are also members of Geriatric Services, Inc.’s Board of Trustees.

The financial position and results of operations presented in the accompanying combined financial statements do not represent those of a single legal entity. All significant intercompany transactions and accounts have been eliminated in combination.

The information presented in the supplementary statement and schedules required by the New Jersey Housing and Mortgage Finance Agency on pages 30-35 represent the financial position and results of operations of Geriatric Services, Inc. solely, as Geriatric Living Solutions, Inc. is not subject to these reporting requirements.

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

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***Basis of Accounting:***

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

**GERIATRIC SERVICES, INC. AND AFFILIATE**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)**

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***Financial Statement Presentation:***

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions - Net assets not subject to donor-imposed stipulations and currently available for use by the Organization's Board of Trustees.

Net Assets with Donor Restrictions - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time and other net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statements of activities and changes in net assets as net assets released from restrictions.

***Cash and Cash Equivalents:***

Cash consists of funds maintained in bank accounts. Cash equivalents consist of highly liquid money market investments with an original maturity of three months or less.

***Receivables:***

Receivables are stated at the amount management expects to collect from outstanding balances. The Organization charges uncollectible receivables to operations when they are determined to be uncollectible based on historical trends. Receivables have been reviewed by management and it has been determined that an allowance for doubtful accounts as of December 31, 2020 and 2019, is not required.

***Property and Equipment:***

Property and equipment is stated at cost of purchase or at the estimated fair market value on the date of gift for donated assets. Expenditures for maintenance and repairs are charged to net assets as incurred.

Property and equipment is depreciated using the straight-line method over estimated useful lives that range from 5 to 7 years for furniture and equipment, and 40 years for buildings and improvements.

**GERIATRIC SERVICES, INC. AND AFFILIATE**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)**

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***Property and Equipment: (Continued)***

NJHMFA requires that the books and records reflect, as charges against income, the net additions to any escrow account for future repairs and replacements. NJHMFA also requires depreciation-regular and depreciation-excess. Depreciation-regular is the amount equal to the principal amortization of the mortgage for the last 12-month period. Depreciation-excess is the difference between depreciation-regular and depreciation as calculated on the straight-line method. The statement of activities and changes in net assets-NJHMFA format, in the supplemental data (pages 30-32) reflects these requirements.

***Donated Goods and Services:***

During the year ended December 31, 2019, the Organization received donated food from another nonprofit organization with an estimated fair market value of \$5,285, which was included in contributions on the combined statements of activities and changes in net assets. The Organization did not receive donated food during the year ended December 31, 2020.

Various volunteer groups periodically provide services to help maintain the residential care facility or assist with program services. The value of these services is not reflected in the combined financial statements since the services do not require specialized skills.

***Fair Value:***

Fair value measurements are defined as the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. There are three defined hierarchical levels based on the quality of inputs used that directly relate to the amount of subjectivity associated with the determination of fair value.

The fair value hierarchy defines the three levels as follows:

**Level 1:** Valuations based on quoted prices (unadjusted) in an active market that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

**Level 2:** Valuations based on observable inputs other than Level 1 prices, such as: quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

**Level 3:** Valuations based on unobservable inputs when little or no market is available. The fair value hierarchy gives lowest priority to Level 3 inputs.

Gains and losses, both realized and unrealized, resulting from increases or decreases in the fair value of investments are reflected in the statements of activities and changes in net assets as increases or decreases in net assets without donor restrictions unless the use was restricted by explicit donor stipulations or by law.

**GERIATRIC SERVICES, INC. AND AFFILIATE**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)**

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***Fair Value: (Continued)***

The fair values of investments are as follows:

Equity securities - Shares in companies traded on national securities exchanges are valued at the closing price reported in the active market in which the individual securities are traded.

***Notes Payable:***

The Organization does not discount noninterest-bearing or below-market-rate loans that originated from governmental agencies.

***Revenue Recognition:***

Contributions are recognized as revenue when they are received or unconditionally pledged. Conditional contributions are not recognized until the conditions are substantially met or explicitly waived.

Contributions are recorded as revenue as either with or without donor restrictions according to donor stipulations that limit the use of these assets due to time or purpose restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions. Contributions with restrictions that are met in the same reporting period as they are received are reported as unrestricted support.

Revenue from government grants is considered a conditional contribution and is not recognized until the conditions related to this revenue are substantially met or explicitly waived.

The Organization derives a portion of its revenue from resident services revenue. Resident services revenue is recognized when the Organization provides the services to a respective resident in an amount that reflects the consideration the Organization expects to be entitled to in exchange for providing these services.

The Organization recognizes resident services revenue over time as the services are provided to the residents. There are no significant financing components or variable considerations provided to clients.

Any resident services revenues received in advance are deferred as prepaid residents' fees until earned.

**GERIATRIC SERVICES, INC. AND AFFILIATE**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)**

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***Income Taxes:***

GSI and GLS are not-for-profit organizations that are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and, accordingly, are not liable for federal and state income taxes.

The Organization follows accounting standards that provide clarification on accounting for uncertainty in income taxes recognized in the Organization's combined financial statements. The guidance prescribes a recognition threshold and measurement attribute for the combined financial statement recognition and measurement of a tax position taken, or expected to be taken, in a tax return, and also provides guidance on derecognition, classification, interest and penalties, disclosure and transition. The Organization's policy is to recognize interest and penalties on unrecognized tax benefits in income tax expense in the combined statements of activities and changes in net assets. No interest and penalties were recorded during the years 2020 and 2019. At December 31, 2020 and 2019, there are no significant income tax uncertainties that are expected to have a material impact on the Organization's combined financial statements.

***Use of Estimates:***

In preparing combined financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the combined financial statements, and revenues and expenses during the reporting period. Actual results could differ from those estimates.

***Recent Accounting Pronouncements:***

The Financial Accounting Standards Board issued an accounting pronouncement, *Leases*, which requires lessees to recognize a right-of-use asset and lease liability on the balance sheet for all leases with a term longer than 12 months. Under this new pronouncement, a modified retrospective transition approach is required, and the new standard is applied to all leases existing at the date of initial application. The standard is effective for annual periods beginning after December 15, 2021. It will be effective for the Organization for the year ended December 31, 2022. The Organization is currently evaluating the effect the new pronouncement will have on its financial statements.

***Subsequent Events:***

The Organization has evaluated events subsequent to the combined statement of financial position date as of December 31, 2020 through July 1, 2021, the date that the financial statements were available to be issued.

**GERIATRIC SERVICES, INC. AND AFFILIATE**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

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**NOTE 3 - PROPERTY AND EQUIPMENT:**

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	<b>December 31,</b>	
	<b>2020</b>	<b>2019</b>
Land	\$ 330,078	\$ 330,078
Buildings	700,125	700,125
Building improvements	3,708,312	3,708,312
Furniture and equipment	370,226	370,226
Total	5,108,741	5,108,741
Less: Accumulated depreciation	2,306,520	2,186,931
Property and Equipment, Net	<u>\$ 2,802,221</u>	<u>\$ 2,921,810</u>

**NOTE 4 - INVESTMENTS:**

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Investments are categorized as follows:

	<b>Fair Value Measurements as of December 31, 2020</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Equity securities	\$ 557,458	\$ -	\$ -	\$ 557,458

  

	<b>Fair Value Measurements as of December 31, 2019</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Equity securities	\$ 578,702	\$ -	\$ -	\$ 578,702

The cost basis of the Organization's investments at December 31, 2020 and 2019, is approximately \$392,000 and \$456,000, respectively.



**GERIATRIC SERVICES, INC. AND AFFILIATE**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

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**NOTE 5 - LOANS RECEIVABLE:**

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On October 18, 2013, a limited partnership, Teaneck Senior Housing Urban Renewal, L.P., was formed to acquire, own, develop, construct, manage and operate a senior housing project located at 60 Bergen Avenue in Teaneck, New Jersey. Senior Housing Services, Inc., a related party, is the General Partner in this partnership, owning .01%. Teaneck Senior Housing Urban Renewal, L.P. is structured as a 4% low-income housing tax credit project.

On October 15, 2014, a development services agreement was executed between Teaneck Senior Housing Urban Renewal, L.P. (“Partnership”), Geriatric Services, Inc. and The Alpert Group, LLC (collectively, “Developer”). The purpose of the agreement is to appoint the Developer to render services in overseeing the development of the project for the Partnership. The term of the agreement shall end on December 31, 2030. The Organization received \$401,500 of the developer fee, which represented full payment.

On October 15, 2014, Geriatric Services, Inc. and an individual (collectively, “Guarantor”) entered into a guaranty agreement with the Partnership to jointly guarantee to the Limited Partner the due and punctual performance by the General Partner and the Developer of all said obligations under the partnership agreement and the development services agreement. The Guarantor shall furnish the Limited Partnership a current and accurate financial statement within 180 days following the end of each calendar year or fiscal year of such Guarantor.

On March 14, 2011, Geriatric Services Inc. received a U.S. Department of Housing and Urban Development (“HUD”) Section 202 Demonstration Planning Grant in the amount of \$396,950 to assist GSI with development costs incurred to start construction of the new project.

On October 15, 2014, the Partnership entered into a mortgage agreement with Geriatric Services, Inc. in the amount of \$396,950 without interest, which is included in loans receivable on the combined statements of financial position. The note receivable matures on December 31, 2071, and is secured by the assets of the Partnership. This obligation is absolute even if the underlying source of the loan is not required to be repaid by Geriatric Services, Inc.

On October 15, 2014, Geriatric Services, Inc. (“Sponsor”) and Teaneck Senior Housing Urban Renewal, L.P. (“Owner”) entered into a HUD Section 202 capital advance agreement in the amount of \$9,782,100 to assist in financing a rental housing project for the elderly in which the Sponsor has agreed to loan all of the capital advance funds to the Owner. The capital advance to the Sponsor shall bear no interest and is not required to be repaid so long as the housing project remains available to eligible, very low-income households for a period of 55 years and in accordance with Section 202. Upon default, an annual interest rate of 4% shall become payable. The loan is secured by the assets of the Partnership. As of December 31, 2017, GSI received \$9,782,100 in relation to the capital advance, which is included in long-term debt on the combined statements of financial position.

**GERIATRIC SERVICES, INC. AND AFFILIATE**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

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**NOTE 5 - LOANS RECEIVABLE: (Continued)**

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On October 15, 2014, the Partnership entered into a mortgage agreement with Geriatric Services, Inc. in the amount of \$9,782,100 without interest. The note receivable matures on December 15, 2070, and is secured by the assets of the Partnership. This obligation is absolute even if the underlying source of the loan is not required to be repaid by Geriatric Services, Inc. As of December 31, 2017, GSI has loaned \$9,782,100 to the Partnership, which is included in loans receivable on the combined statements of financial position.

On July 1, 2011, Geriatric Services, Inc. entered into a loan agreement with the county of Bergen in the amount of \$750,000 in federal HOME funds for the creation of 66 units of affordable rental housing for senior citizens with income below 50% of the area's median income. The loan bears no interest for 20 years, known as the affordability period. At the end of the affordability period, the loan will be forgiven upon satisfaction and compliance with all affordability controls governing occupancy and rent restrictions as established by the HOME program. The loan is secured by the assets of the Partnership. As of December 31, 2016, Geriatric Services Inc. received \$750,000, in relation to this loan, which is included in long-term debt on the combined statements of financial position.

On October 15, 2014, the Partnership entered into a mortgage agreement with Geriatric Services, Inc. in the amount of \$750,000 without interest for a period of 55 years from the project's completion. This loan will be due and payable on December 31 of the year HUD rental restrictions shall end but at an event no later than December 31, 2071. This loan is then due and payable even though the loan from Bergen County to Geriatric Services, Inc. is forgiven. The loan is secured by the assets of the Partnership. As of December 31, 2016, GSI has loaned \$750,000 to the Partnership, which is included in loans receivable on the combined statements of financial position.

On October 15, 2014, Geriatric Services, Inc. entered into a loan agreement with the county of Bergen in the amount of \$75,000 in Community Development Block Grant funds for site improvements for new construction of rental housing for senior citizens with low- and very low-incomes. The loan bears no interest for 20 years from the project's completion but no later than December 31, 2071. At the end of the affordability period, the loan will be forgiven provided there is no default. The loan is secured by the assets of the Partnership. As of December 31, 2016, Geriatric Services, Inc. received \$75,000 in relation to this loan, which is included in long-term debt on the combined statements of financial position.

**GERIATRIC SERVICES, INC. AND AFFILIATE**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

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**NOTE 5 - LOANS RECEIVABLE: (Continued)**

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On October 15, 2014, the Partnership entered into a mortgage agreement with Geriatric Services, Inc. in the amount of \$75,000 without interest for a period of 55 years from the project's completion. This loan will be due and payable on December 31 of the year HUD rental restrictions shall end but at an event no later than December 31, 2071. This loan is then due and payable even though the loan from Bergen County to Geriatric Services, Inc. is forgiven. The loan is secured by the assets of the Partnership. As of December 31, 2016, Geriatric Services Inc. has loaned \$75,000 to the Partnership, which is included in loans receivable on the combined statements of financial position.

On October 15, 2014, Geriatric Services, Inc. entered into a loan agreement with Bogota Savings Bank in the amount of \$610,000 in Federal Home Loan Bank of New York Affordable Housing funds. The mortgage bears no interest and is entitled to be released upon the expiration of 15 years of operation of the project, known as Teaneck Senior Housing Urban Renewal, in accordance with the Federal Home Loan Bank of New York's affordable housing program. The loan is secured by the assets of the Partnership. As of December 31, 2016, Geriatric Services, Inc. received \$610,000 in relation to this loan, which is included in long-term debt on the combined statements of financial position.

On October 15, 2014, the Partnership entered into a mortgage agreement with Geriatric Services, Inc. in the amount of \$610,000 without interest. The loan is due and payable on December 31, 2071. This obligation is absolute even if the underlying source of the loan is not required to be repaid by Geriatric Services, Inc. The loan is secured by the assets of the Partnership. GSI has loaned \$610,000 to the Partnership as of December 31, 2016, which is included in loans receivable on the combined statements of financial position.

All funds received by Geriatric Services, Inc. for the development of the Teaneck Senior Housing Project have been transferred to the Partnership and all other costs incurred by Geriatric Services, Inc. have been reimbursed by the Partnership.

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**NOTE 6 - PAYCHECK PROTECTION PROGRAM LOAN:**

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The Organization obtained a Paycheck Protection Program loan under the CARES Act in April 2020 for approximately \$343,000. This loan is to provide the Organization with working capital for the purpose of maintaining employment levels and paying occupancy costs during a stay-at-home period ordered by the governor of New Jersey. The Organization expended the total loan amount in accordance with the agreement and received full forgiveness of the loan in February 2021. The loan was recognized as revenue in 2020 as the conditions were substantially met as of year-end.

**GERIATRIC SERVICES, INC. AND AFFILIATE**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 7 - LONG-TERM DEBT:**

	<b>December 31,</b>	
	<b>2020</b>	<b>2019</b>
First mortgage payable to NJHMFA. Monthly payments amount to \$21,941 with interest of 5.3%, including a monthly service charge of \$1,950 through August 2033.	\$ 2,453,729	\$ 2,463,998
First mortgage payable to NJHMFA. Monthly payments amount to \$487 with interest of 5.3%, including a monthly service charge of \$43 through November 2033.	51,908	52,545
Second mortgage payable to NJHMFA. Payments are to be made from 50% of any available cash flow after payment of debt service, fees, escrow funding and project operating expenses through November 2033. As of December 31, 2020, no payments have been made against this loan.	350,000	350,000
Noninterest-bearing mortgage note payable to the United States Department of Housing and Urban Development, forgivable after 55 years. Entire amount to be recognized as revenue after the 55-year affordability period expires.	9,782,100	9,782,100
Noninterest-bearing mortgage note payable to the county of Bergen, forgivable 20 years after the project's completion. Entire amount to be recognized as revenue after the 20-year affordability period expires.	750,000	750,000
Noninterest-bearing mortgage note payable to Bogota Savings Bank, forgivable 15 years after operating the project in accordance with the affordable housing program of the Federal Home Loan Bank of New York. Entire amount to be recognized as revenue after the 15-year affordability period expires.	610,000	610,000
Noninterest-bearing mortgage note payable to the county of Bergen, forgivable 20 years after the project's completion. Entire amount to be recognized as revenue after the 20-year affordability period expires.	75,000	75,000
Economic Injury Disaster loan payable in monthly installments of \$641 beginning in June 2021, including interest at 2.75% through June 2050. The loan is collateralized by substantially all of the Organization's assets.	159,900	-

**GERIATRIC SERVICES, INC. AND AFFILIATE**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

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**NOTE 7 - LONG-TERM DEBT: (Continued)**

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Total Long-term Debt	14,232,637	14,083,643
Less: Current portion	378,520	256,983
Long-term Debt, Net of current portion	<u>\$13,854,117</u>	<u>\$13,826,660</u>

The mortgages are secured by the real property located in Teaneck, New Jersey. The second mortgage lien is subordinate to the first mortgage lien.

At December 31, 2020, long-term debt matures as follows:

<u>Year</u>	<u>Amount</u>
2021	\$ 378,520
2022	143,228
2023	150,589
2024	158,348
2025	166,530
Thereafter	13,235,422
	<u>\$ 14,232,637</u>

Due to cash flow constraints, the Organization is \$246,120 and \$135,051 in arrears on mortgage principal payments at December 31, 2020 and 2019, respectively. Over the last few years, the Organization has been making additional monthly payments towards the arrears balance. During the year ended December 31, 2020, the Organization did not make timely monthly mortgage payments due to challenges related to the COVID-19 pandemic and was also in the process of securing funding for the renovation of Brightside Manor. The Organization entered into discussions with the NJHMFA about the potential forgiveness of their mortgages owed to this agency. Subsequent to year end, the Organization was notified by the NJHMFA that they have approved the forgiveness of the mortgages.

**NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS:**

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	<b>December 31,</b>	
	<b>2020</b>	<b>2019</b>
Teaneck Senior Housing project costs	\$ 322,500	\$ 322,500
TLC project	128,156	193,527
GSI programs and initiatives	276,805	276,805
Jewish identity and spirituality	2,041	2,041
Brightside Manor expansion	237,103	-
	<u>\$ 966,605</u>	<u>\$ 794,873</u>

**GERIATRIC SERVICES, INC. AND AFFILIATE**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

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**NOTE 9 - RELATED-PARTY TRANSACTIONS:**

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As of December 31, 2020 and 2019, Geriatric Services, Inc., received grants in the amount of \$82,500 and \$56,167, respectively, from various foundations and Bergen County for the PALS program, which is administered through Geriatric Living Solutions, Inc. As of December 31, 2020 and 2019, \$82,500 and \$56,167, respectively, is included in subrecipient grant expense on the combining statements of functional expenses.

During 2020 and 2019, Geriatric Services, Inc. loaned Geriatric Living Solutions, Inc. \$397,269 and \$343,820, respectively, for operating costs. In addition, Geriatric Services, Inc. owes Geriatric Living Solutions, Inc. \$25,000 and \$57,000 related to grants received for the PALS program. These transactions were eliminated in the financial statement combination.

Senior Housing Services, Inc. (“SHS”) is a separate 501(c)(3) organization that was created for the purpose of senior housing development. SHS is related to the Organization through common management. However, GSI does not have control of the SHS Board of Trustees and, therefore, isn’t included in these combined financial statements.

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**NOTE 10 - FUNCTIONAL EXPENSES:**

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The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Salaries and wages, and management agent fees are allocated based on time and effort. All other expenses are allocated to support functions based on administrative salaries with the exception of expenses, which are directly identifiable to a specific function. Dietary expenses, laundry and linen, subrecipient grant expense, Brightside Manor expansion, and grant expense – TLC are charged directly to programs. Bad debt expense is charged directly to management and general.

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**NOTE 11 - CONCENTRATIONS OF CREDIT RISK:**

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At times, the Organization maintains investment balances that may exceed federally or other insured limits. The investments are primarily financial instruments that are monetary in nature. The investments are subject to risk conditions of the investments’ objectives, stock market performance, interest rates, economic conditions and world affairs. The Organization maintains a diversified portfolio in order to limit this risk. The Organization historically has not experienced any credit-related losses.

**GERIATRIC SERVICES, INC. AND AFFILIATE**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

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**NOTE 11 - CONCENTRATIONS OF CREDIT RISK: (Continued)**

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As of December 31, 2020, 86% of the Organization's contribution revenues was from two contributors. As of December 31, 2019, approximately 77% of the Organization's contribution revenues was from one contributor. As of December 31, 2020, 100% of the Organization's contributions receivable was from one contributor. As of December 31, 2019, approximately 91% of the Organization's contributions receivable was from one contributor.

As of December 31, 2020, 33% of the Organization's grant revenue was from two government agencies. As of December 31, 2019, 100% of the Organization's grant revenue was from one government agency.

As of December 31, 2020, approximately 58% of the Organization's accounts receivable was due from three managed-care organizations. As of December 31, 2019, approximately 42% of the Organization's accounts receivable was due from three managed-care organizations and one private-pay resident.

As of December 31, 2020 and 2019, 100% of the Organization's loans receivable is from one partnership.

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**NOTE 12 - COMMITMENTS AND CONTINGENCIES:**

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The Organization is actively monitoring the recent COVID-19 outbreak and its potential impact on the employees, volunteers, donors, residents, and operations. It is not known at this time how much effect the virus will have on operations and/or financial results. The potential impact of COVID- 19 is not foreseeable due to various uncertainties, including the severity of the disease, the duration of the outbreak, and actions that may be taken by governmental authorities.

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**NOTE 13 - OFFICER LOAN:**

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During 2020 and 2019, one of the founders of GSI, a key employee and a member of the Board of Trustees loaned the Organization \$20,000 and \$6,500, respectively. The loans had no stated repayment terms and no stated interest rate and were paid back in full by the end of 2020 and 2019, respectively.

**GERIATRIC SERVICES, INC. AND AFFILIATE**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

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**NOTE 14 - TAXES:**

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At December 31, 2020, all required tax returns have been filed.

**NOTE 15 - LIQUIDITY AND AVAILABILITY OF RESOURCES:**

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The following represents the Organization's financial assets at December 31, 2020 and 2019, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations.

	<b>December 31,</b>	
	<b>2020</b>	<b>2019</b>
Cash and cash equivalents	\$ 404,250	\$ 27,844
Contributions, grants, and account receivable	469,555	269,572
Investments	557,458	578,702
Total financial assets	<u>1,431,263</u>	<u>876,118</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions	<u>(966,605)</u>	<u>(794,873)</u>
Financial Assets Available to Meet General Expenditures Over the Next 12 Months	<u>\$ 464,658</u>	<u>\$ 81,245</u>

The Organization has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations come due. As part of its liquidity plan, excess cash is invested in level one investments, such as equities that can be liquidated if needed. Included in net assets with donor restrictions is approximately \$277,000, which is restricted for the programs and initiatives of the Organization and can be released from restriction if needed.

**NOTE 16 - PROPERTIES UNDER DEVELOPMENT:**

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The Organization is currently in the process of the renovation and expansion of the facility, known as Brightside Manor. The Organization has received zoning approval from the town and has secured funding for this project during the year ended December 31, 2020. The project is being funded through government and foundation grants. In addition, a construction loan was obtained subsequent to year end. The Organization is currently awaiting final approval from the State Department of Health and once approved, construction is set to begin during 2021.



**GERIATRIC SERVICES, INC. AND AFFILIATE**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

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**NOTE 16 - PROPERTIES UNDER DEVELOPMENT: (Continued)**

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The Organization has also entered into an agreement to co-develop a township-owned property in Teaneck, New Jersey, along with another organization. The project is known as 1425 Teaneck Road, LLC, which will consist of 40 units of affordable housing. The project was awarded a 9% low-income housing tax credit through the NJHMFA in December of 2020. One of the founders of GSI, a key employee and a member of the Board of Trustees created a single member LLC, known as BSF Senior Housing, LLC, which will have 25% voting rights in the project. The co-developers are in the process of finalizing the funding for the project and expect to break ground in 2021.

**GERIATRIC SERVICES, INC. AND AFFILIATE**  
**COMBINING STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2020**

	Geriatric Services, Inc.	Geriatric Living Solutions, Inc.	Eliminations	Combined
<b>ASSETS</b>				
CURRENT ASSETS:				
Cash and cash equivalents	\$ 381,241	\$ 23,009	\$ -	\$ 404,250
Contributions receivable	234,500	-	-	234,500
Grant receivable	4,167	-	-	4,167
Accounts receivable	174,731	56,157	-	230,888
Due from affiliate	-	25,000	25,000	-
Residents' personal needs allowance	10,979	-	-	10,979
Total Current Assets	805,618	104,166	25,000	884,784
Property and equipment, net of accumulated depreciation	2,802,221	-	-	2,802,221
Loans receivable	12,011,319	-	397,269	11,614,050
Mortgage escrow deposits	311,446	-	-	311,446
Investments	557,458	-	-	557,458
Other assets	-	750	-	750
	\$ 16,488,062	\$ 104,916	\$ 422,269	\$ 16,170,709
<b>LIABILITIES AND NET ASSETS</b>				
CURRENT LIABILITIES:				
Accounts payable and accrued expenses	\$ 222,591	\$ 17,266	\$ -	\$ 239,857
Prepaid residents' fees	6,253	-	-	6,253
Due to affiliate	25,000	-	25,000	-
Long-term debt, current portion	378,520	-	-	378,520
Residents' personal needs allowance	12,086	-	-	12,086
Total Current Liabilities	644,450	17,266	25,000	636,716
Long-term debt, net of current portion	13,854,117	-	-	13,854,117
Loan payable	-	397,269	397,269	-
Total Liabilities	14,498,567	414,535	422,269	14,490,833
COMMITMENTS AND CONTINGENCIES				
NET ASSETS:				
Without donor restrictions	1,022,890	(309,619)	-	713,271
With donor restrictions	966,605	-	-	966,605
Total Net Assets	1,989,495	(309,619)	-	1,679,876
	\$ 16,488,062	\$ 104,916	\$ 422,269	\$ 16,170,709

**GERIATRIC SERVICES, INC. AND AFFILIATE**  
**COMBINING STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2019**

	<b>Geriatric Services, Inc.</b>	<b>Geriatric Living Solutions, Inc.</b>	<b>Eliminations</b>	<b>Combined</b>
<b>ASSETS</b>				
<b>CURRENT ASSETS:</b>				
Cash and cash equivalents	\$ 21,670	\$ 6,214	\$ -	\$ 27,884
Contributions receivable	101,577	-	-	101,577
Accounts receivable	103,279	64,716	-	167,995
Due from affiliate	-	57,000	57,000	-
Prepaid expenses	3,377	-	-	3,377
Residents' personal needs allowance	10,979	-	-	10,979
<b>Total Current Assets</b>	<b>240,882</b>	<b>127,930</b>	<b>57,000</b>	<b>311,812</b>
Property and equipment, net of accumulated depreciation	2,921,810	-	-	2,921,810
Loans receivable	11,957,870	-	343,820	11,614,050
Mortgage escrow deposits	347,309	-	-	347,309
Investments	578,702	-	-	578,702
Other assets	-	750	-	750
	<b>\$ 16,046,573</b>	<b>\$ 128,680</b>	<b>\$ 400,820</b>	<b>\$ 15,774,433</b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES:</b>				
Accounts payable and accrued expenses	\$ 182,820	\$ 18,199	\$ -	\$ 201,019
Prepaid residents' fees	23,041	-	-	23,041
Due to affiliate	57,000	-	57,000	-
Long-term debt, current portion	256,983	-	-	256,983
Residents' personal needs allowance	11,444	-	-	11,444
<b>Total Current Liabilities</b>	<b>531,288</b>	<b>18,199</b>	<b>57,000</b>	<b>492,487</b>
Long-term debt, net of current portion	13,826,660	-	-	13,826,660
Loan payable	-	343,820	343,820	-
<b>Total Liabilities</b>	<b>14,357,948</b>	<b>362,019</b>	<b>400,820</b>	<b>14,319,147</b>
<b>COMMITMENTS AND CONTINGENCIES</b>				
<b>NET ASSETS:</b>				
Without donor restrictions	893,752	(233,339)	-	660,413
With donor restrictions	794,873	-	-	794,873
<b>Total Net Assets</b>	<b>1,688,625</b>	<b>(233,339)</b>	<b>-</b>	<b>1,455,286</b>
	<b>\$ 16,046,573</b>	<b>\$ 128,680</b>	<b>\$ 400,820</b>	<b>\$ 15,774,433</b>

**GERIATRIC SERVICES, INC. AND AFFILIATE**  
**COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEAR ENDED DECEMBER 31, 2020**

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	<b>Geriatric Services, Inc.</b>	<b>Geriatric Living Solutions, Inc.</b>	<b>Eliminations</b>	<b>Combined</b>
<b>REVENUE AND OTHER SUPPORT:</b>				
Resident services revenue	\$ 1,872,890	\$ 628,375	\$ -	\$ 2,501,265
Contributions	736,754	8,724	7,500	737,978
Government grants	485,979	136,559	75,000	547,538
Special event revenues, net	38,268	-	-	38,268
Interest income, net	7,971	946	-	8,917
Unrealized and realized gain on investments	53,409	-	-	53,409
Miscellaneous income	11	-	-	11
Total Revenue and Other Support	<u>3,195,282</u>	<u>774,604</u>	<u>82,500</u>	<u>3,887,386</u>
<b>EXPENSES:</b>				
Program services	2,787,898	654,253	82,500	3,359,651
Management and general	74,805	196,631	-	271,436
Fundraising	31,709	-	-	31,709
Total Expenses	<u>2,894,412</u>	<u>850,884</u>	<u>82,500</u>	<u>3,662,796</u>
<b>CHANGES IN NET ASSETS</b>	300,870	(76,280)	-	224,590
<b>NET ASSETS, Beginning of year</b>	<u>1,688,625</u>	<u>(233,339)</u>	<u>-</u>	<u>1,455,286</u>
<b>NET ASSETS, End of year</b>	<u>\$ 1,989,495</u>	<u>\$ (309,619)</u>	<u>\$ -</u>	<u>\$ 1,679,876</u>

**GERIATRIC SERVICES, INC. AND AFFILIATE**  
**COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEAR ENDED DECEMBER 31, 2019**

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	<b>Geriatric Services, Inc.</b>	<b>Geriatric Living Solutions, Inc.</b>	<b>Eliminations</b>	<b>Combined</b>
<b>REVENUE AND OTHER SUPPORT:</b>				
Resident services revenue	\$ 2,249,247	\$ 573,266	\$ -	\$ 2,822,513
Contributions	216,462	17,097	6,167	227,392
Government grants	75,900	50,000	50,000	75,900
Special event revenues, net	28,655	-	-	28,655
Interest income, net	14,080	12	-	14,092
Resident community fee	12,000	-	-	12,000
Unrealized and realized gain on investments	145,760	-	-	145,760
Total Revenue and Other Support	<u>2,742,104</u>	<u>640,375</u>	<u>56,167</u>	<u>3,326,312</u>
<b>EXPENSES:</b>				
Program services	2,535,310	539,994	56,167	3,019,137
Management and general	102,483	180,912	-	283,395
Fundraising	66,300	-	-	66,300
Total Expenses	<u>2,704,093</u>	<u>720,906</u>	<u>56,167</u>	<u>3,368,832</u>
<b>CHANGES IN NET ASSETS</b>	38,011	(80,531)	-	(42,520)
<b>NET ASSETS, Beginning of year</b>	<u>1,650,614</u>	<u>(152,808)</u>	<u>-</u>	<u>1,497,806</u>
<b>NET ASSETS, End of year</b>	<u>\$ 1,688,625</u>	<u>\$ (233,339)</u>	<u>\$ -</u>	<u>\$ 1,455,286</u>

**GERIATRIC SERVICES, INC. AND AFFILIATE**  
**COMBINING STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2020**

	<u>Affiliate</u>		<u>Geriatric Services, Inc.</u>				<u>Total Program and Support Services</u>
	<u>Program Services</u>	<u>Support Services</u>	<u>Program Services</u>	<u>Support Services</u>		<u>Eliminations</u>	
		<u>Management and General</u>		<u>Management and General</u>	<u>Fundraising</u>		
Salaries and wages	\$ 529,260	\$ 163,489	\$ 1,312,264	\$ 32,032	\$ 15,143	\$ -	\$ 2,052,188
Managing agent fee	-	-	94,860	5,100	2,040	-	102,000
Payroll taxes	48,906	15,107	131,771	3,287	1,918	-	200,989
Employee benefits	24,182	7,470	196,412	4,900	2,858	-	235,822
Total Salaries and Related Expenses	602,348	186,066	1,735,307	45,319	21,959	-	2,590,999
Dietary expense	-	-	131,436	660	-	-	132,096
Laundry and linen	-	-	42,303	-	-	-	42,303
Insurance	11,177	1,973	75,635	1,887	1,101	-	91,773
Supplies	12,380	2,185	24,421	7,183	4,310	-	50,479
Repairs and maintenance	-	-	67,389	1,681	981	-	70,051
Waste disposal	-	-	9,780	244	142	-	10,166
Utilities	-	-	54,236	1,353	789	-	56,378
Telephone	7,411	1,308	5,031	125	73	-	13,948
Professional fees	6,553	1,156	29,507	736	429	-	38,381
Office expense	452	80	17,240	430	251	-	18,453
Depreciation expense	-	-	115,045	2,870	1,674	-	119,589
Interest expense	-	-	28,330	4,999	-	-	33,329
Subrecipient grant expense	-	-	82,500	-	-	82,500	-
Service fees	6,081	2,027	18,806	3,319	-	-	30,233
Brightside Manor expansion	-	-	262,897	-	-	-	262,897
Rent expense	5,506	1,836	-	-	-	-	7,342
Grant expenses - TLC	-	-	65,371	-	-	-	65,371
Other expense	2,345	-	22,664	3,999	-	-	29,008
Total Functional Expenses	\$ 654,253	\$ 196,631	\$ 2,787,898	\$ 74,805	\$ 31,709	\$ 82,500	\$ 3,662,796

**GERIATRIC SERVICES, INC. AND AFFILIATE**  
**COMBINING STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2019**

	<u>Affiliate</u>		<u>Geriatric Services, Inc.</u>			<u>Eliminations</u>	<u>Total Program and Support Services</u>
	<u>Program Services</u>	<u>Support Services Management and General</u>	<u>Program Services</u>	<u>Support Services Management and General</u>	<u>Fundraising</u>		
Salaries and wages	\$ 443,489	\$ 147,830	\$ 1,242,101	\$ 31,515	\$ 17,645	\$ -	\$ 1,882,580
Managing agent fee	-	-	94,860	5,100	2,040	-	102,000
Payroll taxes	41,191	13,731	118,736	9,445	6,746	-	189,849
Employee benefits	18,229	6,076	183,522	14,598	10,427	-	232,852
Total Salaries and Related Expenses	502,909	167,637	1,639,219	60,658	36,858	-	2,407,281
Dietary expense	-	-	152,085	-	-	-	152,085
Laundry and linen	-	-	45,076	-	-	-	45,076
Insurance	4,100	1,367	66,704	5,306	3,790	-	81,267
Supplies	5,686	1,895	18,901	1,503	1,074	-	29,059
Repairs and maintenance	-	-	62,317	4,957	3,541	-	70,815
Waste disposal	-	-	6,234	496	354	-	7,084
Utilities	-	-	50,725	4,035	2,882	-	57,642
Telephone	7,228	2,410	7,361	586	418	-	18,003
Professional fees	5,608	1,870	21,389	1,701	1,215	-	31,783
Office expense	3,769	1,256	13,946	1,109	792	-	20,872
Depreciation expense	-	-	106,009	8,433	6,023	-	120,465
Interest expense	-	-	113,850	9,056	6,469	-	129,375
Subrecipient grant expense	-	-	56,167	-	-	56,167	-
Service fees	4,673	1,558	29,212	2,324	1,660	-	39,427
Bad debt expense	-	912	-	605	-	-	1,517
Brightside Manor expansion	-	-	65,633	-	-	-	65,633
Rent expense	5,571	1,857	-	-	-	-	7,428
Grant expenses - TLC	-	-	58,940	-	-	-	58,940
Other expense	450	150	21,542	1,714	1,224	-	25,080
Total Functional Expenses	\$ 539,994	\$ 180,912	\$ 2,535,310	\$ 102,483	\$ 66,300	\$ 56,167	\$ 3,368,832

See independent auditors' report and notes to combined financial statements.

**GERIATRIC SERVICES, INC.**  
**SUPPLEMENTARY INFORMATION REQUIRED BY NJHMFA**  
**YEAR ENDED DECEMBER 31, 2020**

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STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS - NJHMFA FORMAT:

**Revenues and Other Support:**

Resident services revenue	\$ 1,872,890
Contributions	229,254
Government grants	410,979
Special event revenues, net	38,268
Interest income, net	7,971
Unrealized and realized loss on investments	53,409
Miscellaneous income	11
<b>Total Revenues and Other Support</b>	<u>2,612,782</u>

**Operating Expenses:**

Administrative Expenses:

Insurance - other	9,040
Office expenses	17,921
NJHMFA audit fee	15,800
Other professional fees	24,962
Telephone	5,229
Supplies - medical	35,914
Other	31,613
<b>Total Administrative Expenses</b>	<u>140,479</u>

Salaries and Related Costs:

Administrative salaries	303,674
Social service salaries	81,318
Personal care salaries	685,760
Housekeeping salaries	25,143
Maintenance salaries	23,470
Food service salaries	270,674
Payroll taxes	136,976
Employee benefits	122,673
Workers' compensation	81,497
<b>Total Salaries and Related Costs</b>	<u>1,731,185</u>



**GERIATRIC SERVICES, INC.**  
**SUPPLEMENTARY INFORMATION REQUIRED BY NJHMFA**  
**YEAR ENDED DECEMBER 31, 2020**

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STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS - NJHMFA FORMAT: (Continued)

Maintenance and Repairs:	
Dietary expense	132,096
Cleaning supplies	19,540
Plumbing repairs	1,169
Electrical repairs	1,953
Snow removal	2,225
Painting and decorating	2,095
Grounds and landscaping	8,680
Miscellaneous maintenance and repair expenses	9,569
Total Maintenance and Repairs	<u>177,327</u>
Maintenance Contracts:	
Laundry and linen	42,303
Waste disposal	10,166
Cleaning services	4,291
Fire system monitoring	10,245
Heating and air-conditioning	2,095
Elevator servicing	6,566
Exterminating	1,623
Total Maintenance Contracts	<u>77,289</u>
Utilities:	
Water	10,142
Sewer	4,075
Electric	37,025
Gas	5,136
Total Utilities	<u>56,378</u>
Management Agent Fees	<u>71,400</u>
Taxes and Insurance:	
Property and liability insurance	<u>69,583</u>
<b>Total Operating Expenses</b>	<u>2,323,641</u>
Total Operating Income	<u>289,141</u>

**GERIATRIC SERVICES, INC.**  
SUPPLEMENTARY INFORMATION REQUIRED BY NJHMFA  
YEAR ENDED DECEMBER 31, 2020

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STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS - NJHMFA FORMAT: (Continued)

<b>Other Income (Expense):</b>	
Restricted grant revenue	582,500
Restricted grant expense	(410,768)
Mortgage interest	(33,329)
Mortgage service fees	(7,085)
Provision for repair and replacements reserve	(1,481)
<b>Other Income, net</b>	<u>129,837</u>
Income before depreciation	418,978
Depreciation - regular	<u>256,983</u>
Income before depreciation - excess	161,995
Depreciation - excess	<u>(137,394)</u>
<b>Net Assets - NJHMFA Method</b>	<u><u>\$ 299,389</u></u>

**GERIATRIC SERVICES, INC.**  
**SUPPLEMENTARY INFORMATION REQUIRED BY NJHMFA**  
**YEAR ENDED DECEMBER 31, 2020**

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**STATEMENT OF NET ASSETS - NJHMFA FORMAT:**

Balance, beginning of year (unappropriated)	\$ 1,921,216
Net income - NJHMFA method	<u>299,389</u>
Balance, end of year (unappropriated)	2,220,605
Cumulative provision to repair and replacements reserve	<u>274,249</u>
Balance, end of year	<u><u>\$ 2,494,854</u></u>

**COMPUTATION OF MANAGEMENT FEES:**

Net effective collections	\$ 1,872,890
Percentage per self-management agreement	<u>4%</u>
Total management agent fee allowed	74,916
Management agent fee paid during the year	<u>71,400</u>
Amount under (over) allowed management agent fee	<u><u>\$ 3,516</u></u>

**SCHEDULE OF PAYROLL AND PAYROLL TAXES:**

Interest and penalties assessed for delinquent filing of 2020 federal and New Jersey returns:

Payroll tax returns or delinquent payment of payroll tax deposits	NONE
Exempt organization returns	NONE
Income tax returns	NONE

**GERIATRIC SERVICES, INC.**  
**SUPPLEMENTARY INFORMATION REQUIRED BY NJHMFA**  
**AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2020**

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**Schedule of Other Receivables**

Patient fees	\$ 174,731
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**Schedule of Accounts Payable and Accrued Expenses**

Trade accounts payable with recurring vendors	\$ 128,989
Professional fees	30,000
Payroll	63,602
<b>Total Accounts Payable and Accrued Expenses</b>	<b>\$ 222,591</b>

**Schedule of Changes in Fixed Assets**

	<b>Balance Beginning of Year</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance End of Year</b>
Land	\$ 330,078	\$ -	\$ -	\$ 330,078
Buildings	700,125	-	-	700,125
Building improvement	3,708,312	-	-	3,708,312
Furniture and equipment	370,226	-	-	370,226
	<b>\$ 5,108,741</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,108,741</b>

**Schedule of Changes in Escrow Accounts**

	<b>Balance Beginning of Year</b>	<b>Funding Deposits</b>	<b>Interest</b>	<b>Disbursements</b>	<b>Balance End of Year</b>
Insurance	\$ 47,272	\$ 41,135	\$ 121	\$ (78,623)	\$ 9,905
Operating reserve	4,841	-	23	-	4,864
Special	487	-	-	-	487
Loan reserve	21,941	-	-	-	21,941
Repair and replacement	272,768	199	1,282	-	274,249
	<b>\$ 347,309</b>	<b>\$ 41,334</b>	<b>\$ 1,426</b>	<b>\$ (78,623)</b>	<b>\$ 311,446</b>

**GERIATRIC SERVICES, INC.**  
**SUPPLEMENTARY INFORMATION REQUIRED BY NJHMFA**  
**YEAR ENDED DECEMBER 31, 2020**

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**CASH AVAILABLE FOR SECOND MORTGAGE PAYABLE:**

Total Operating Revenue	\$ 2,612,782
Total Operating Expenses	<u>2,323,641</u>
Subtotal	<u>289,141</u>
Required Deposits:	
Debt service (principal due)	256,983
Reserve for repair and replacement	<u>199</u>
Total Required Deposits	<u>257,182</u>
Available Cash	<u><u>\$ 31,959</u></u>

**GERIATRIC SERVICES INC. AND AFFILIATE**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED DECEMBER 31, 2020**

<b>Federal Grantor Pass-through Grantor Program Title</b>	<b>Federal CFDA Number</b>	<b>Budget Period</b>	<b>Contract Amount</b>	<b>Beginning of the Year Loan Balance</b>	<b>Disbursements/ Expenditures</b>	<b>Amount Passed Through to Subrecipients</b>
<b>US Department of Housing and Urban Development</b>						
<u>Direct:</u>						
Section 202 Capital Advance	14.157	N/A	\$ 9,782,100	\$ 9,782,100	\$ -	\$ -
<u>Passed through:</u>						
Bergen County:						
Bergen County Teaneck Senior Housing Site Improvements (CDBG)	14.218	07/01/11-06/30/12	75,000	75,000	-	-
<u>Passed through:</u>						
Bergen County:						
HOME Investment Partnerships Program	14.239	07/01/11-06/30/16	750,000	750,000	-	-
<b>US Department of Health and Human Services</b>						
<u>Direct:</u>						
Provider Relief Fund	93.498	03/01/20-12/31/20	102,561	-	102,561	102,561
<u>Passed through:</u>						
Bergen County:						
Special Programs for the Aging Title III Part B - Area Plan Contract	93.044	01/01/20-12/31/20	90,000	-	79,167	79,167
<b>United States Small Business Administration</b>						
<u>Direct:</u>						
Economic Injury Disaster Loan	59.008	06/01/21-06/01/50	159,900	159,900	-	-
<b>Total Federal Awards</b>			<b>\$ 10,959,561</b>	<b>\$ 10,767,000</b>	<b>\$ 181,728</b>	<b>\$ 181,728</b>

*See independent auditors' report and accompanying notes to schedule of expenditures of federal awards.*

**GERIATRIC SERVICES INC. AND AFFILIATE**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED DECEMBER 31, 2020**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

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The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Organization and is presented on the accrual basis of accounting. The information in the schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

**NOTE 2 - SUBRECIPIENTS:**

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During the year ended December 31, 2020, the Organization provided funds relating to their federal programs to subrecipients as disclosed on the schedule of expenditures of federal awards.

**NOTE 3 - INDIRECT COSTS:**

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The Organization did not elect to use the de minimis cost rate when allocating indirect costs to federal programs.

**NOTE 4 - LOAN AND LOAN GUARANTEE PROGRAMS:**

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As of December 31, 2020, \$10,767,000 was outstanding on the federal loan programs.

## **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***

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To the Board of Trustees  
Geriatric Services, Inc. and Affiliate  
Teaneck, New Jersey

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 of America, the combined financial statements of Geriatric Services, Inc. and Affiliate (“Organization”), 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 and have issued our report thereon dated July 1, 2021.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Organization’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 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 Organization’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 combined financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of combined financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance 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.

Livingston, New Jersey  
July 1, 2021

*Sobel & Co, LLC*

Certified Public Accountants

## **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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To the Board of Trustees  
Geriatric Services, Inc. and Affiliate  
Teaneck, New Jersey

### **Report on Compliance for Each Major Federal Program**

We have audited Geriatric Services, Inc. and Affiliate's ("Organization") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget ("OMB") *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2020. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

#### ***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States of America; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

### **Report on Internal Control Over Compliance**

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Livingston, New Jersey  
July 1, 2021

*Sobel & Co, LLC*

Certified Public Accountants

**GERIATRIC SERVICES INC. AND AFFILIATE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED DECEMBER 31, 2020**

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**I. Summary of Auditors' Results**

**Financial Statements**

The auditors' report issued on the combined financial statements of Geriatric Services, Inc. and Affiliate was an unmodified opinion.

Internal control over financial reporting:

- Material weaknesses identified? \_\_\_\_\_ Yes        X   No
- Significant deficiencies identified? \_\_\_\_\_ Yes        X   No

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes        X   No

***Federal Awards***

Internal control over the major programs:

- Material weaknesses identified? \_\_\_\_\_ Yes        X   No
- Significant deficiencies identified? \_\_\_\_\_ Yes        X   No

Type of auditors' report issued on compliance for the major programs: **Unmodified**

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? \_\_\_\_\_ Yes        X   No

Identification of major programs:

- 14.157 U.S. Department of Housing and Urban Development – Capital Advance
- 14.239 U.S. Department of Housing and Urban Development – HOME Program

**GERIATRIC SERVICES INC. AND AFFILIATE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED DECEMBER 31, 2020**

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**I. Summary of Auditors' Results (Continued)**

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as a low-risk auditee?        X   Yes                             No

**II. Financial Statement Finding**

None

**III. Compliance Findings**

None

**IV. Prior Audit Findings**

None