

**JEWISH FAMILY & COMMUNITY SERVICES, INC.
AND AFFILIATES**

**COMBINED FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION**

Year Ended June 30, 2021

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Jewish Family & Community Services, Inc.
and Affiliates
Jacksonville, Florida

We have audited the accompanying financial statements of Jewish Family & Community Services, Inc. and Affiliates (the "Organization"), which comprise the combined statement of financial position as of June 30, 2021, and the related combined statements of activities, cash flows, and functional expenses 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 combined 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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.

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

Board of Directors
Jewish Family & Community Services, Inc.
and Affiliates

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 Organization as of June 30, 2021, and the 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2022, 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 and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We previously audited the Organization's 2020 combined financial statements, and our report dated December 11, 2020 expressed an unmodified opinion on those audited combined financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020 is consistent, in all material respects, with the audited combined financial statements from which it has been derived.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
January 14, 2022

**JEWISH FAMILY & COMMUNITY SERVICES, INC.
AND AFFILIATES**

COMBINED STATEMENT OF FINANCIAL POSITION

June 30, 2021

(with comparative information as of June 30, 2020)

ASSETS

	2021	(Comparative Information) 2020
	<u>2021</u>	<u>2020</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 5,068,501	\$ 5,112,465
Accounts and contracts receivable	672,827	838,433
Capital campaign pledges receivable	119,500	563,145
Other assets	207,521	155,820
	<u>6,068,349</u>	<u>6,669,863</u>
	TOTAL CURRENT ASSETS	6,669,863
NONCURRENT ASSETS		
Investments	4,682,899	2,694,740
Property and equipment, net	5,566,278	5,878,153
Capital campaign pledges receivable, net	670,469	795,847
Beneficial interest in Keebler Fund	178,073	155,157
	<u>11,097,719</u>	<u>9,523,897</u>
	TOTAL NONCURRENT ASSETS	9,523,897
	<u>\$ 17,166,068</u>	<u>\$ 16,193,760</u>
	TOTAL ASSETS	16,193,760

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 419,092	\$ 357,275
Accrued expenses	698,180	340,410
Advanced grant proceeds and deferred revenue	2,412,158	2,895,388
Long-term debt, current portion	261,648	240,089
	<u>3,791,078</u>	<u>3,833,162</u>
	TOTAL CURRENT LIABILITIES	3,833,162
LONG-TERM DEBT, NET	<u>437,977</u>	<u>1,018,856</u>
	TOTAL LIABILITIES	4,852,018
COMMITMENTS AND CONTINGENCIES		
NET ASSETS		
Without donor restrictions	10,466,054	8,567,667
With donor restrictions	2,470,959	2,774,075
	<u>12,937,013</u>	<u>11,341,742</u>
	TOTAL NET ASSETS	11,341,742
	<u>\$ 17,166,068</u>	<u>\$ 16,193,760</u>
	TOTAL LIABILITIES AND NET ASSETS	16,193,760

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

**JEWISH FAMILY & COMMUNITY SERVICES, INC.
AND AFFILIATES**

COMBINED STATEMENT OF ACTIVITIES

Year Ended June 30, 2021
(with comparative summarized information for the year ended June 30, 2020)

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 (Comparative Summarized Information)
PUBLIC SUPPORT				
United Way of Jacksonville	\$ 1,806,506	\$ -	\$ 1,806,506	\$ 1,809,445
Jacksonville Jewish Federation	176,000	-	176,000	272,000
Capital campaign	-	-	-	271,013
Donations	418,431	317,193	735,624	658,952
Other grants	3,610,901	-	3,610,901	2,775,802
TOTAL PUBLIC SUPPORT	6,011,838	317,193	6,329,031	5,787,212
GOVERNMENTAL SUPPORT				
State Department of Children and Families	8,208,208	-	8,208,208	7,642,852
Emergency Food and Shelter Program	68,018	-	68,018	28,000
City of Jacksonville	863,628	-	863,628	812,710
Other grants	1,578,098	-	1,578,098	-
TOTAL GOVERNMENTAL SUPPORT	10,717,952	-	10,717,952	8,483,562
OTHER REVENUE AND GAINS				
Program service fees:				
Counseling	83,283	-	83,283	93,683
Jewish services	24,961	-	24,961	29,636
Adoption	6,550	-	6,550	8,812
Medicaid	363,915	-	363,915	361,482
Increase (decrease) in:				
Beneficial interest in fund	30,825	-	30,825	3,986
Investment earnings (loss)	557,008	178,318	735,326	(34,818)
Other	748,492	-	748,492	627,471
TOTAL OTHER REVENUE AND GAINS	1,815,034	178,318	1,993,352	1,090,252
NET ASSETS RELEASED FROM RESTRICTIONS				
Satisfaction of:				
Purpose restrictions	441,965	(441,965)	-	-
Time restrictions	356,662	(356,662)	-	-
TOTAL NET ASSETS RELEASED FROM RESTRICTIONS	798,627	(798,627)	-	-
TOTAL SUPPORT AND REVENUE	19,343,451	(303,116)	19,040,335	15,361,026
EXPENSES				
Program services:				
Child Safety	8,171,777	-	8,171,777	7,676,976
Comprehensive emergency assistance	3,157,517	-	3,157,517	1,368,660
Counseling and adoption	1,808,982	-	1,808,982	1,682,941
Achievers for life	1,940,123	-	1,940,123	1,872,514
Jewish services	1,707,208	-	1,707,208	1,419,392
Total program services	16,785,607	-	16,785,607	14,020,483
Support services:				
General and administrative	199,051	-	199,051	252,211
Fundraising	460,406	-	460,406	376,149
Total support services	659,457	-	659,457	628,360
TOTAL EXPENSES	17,445,064	-	17,445,064	14,648,843
CHANGE IN NET ASSETS	1,898,387	(303,116)	1,595,271	712,183
NET ASSETS - BEGINNING OF YEAR	8,567,667	2,774,075	11,341,742	10,629,559
NET ASSETS - END OF YEAR	\$ 10,466,054	\$ 2,470,959	\$ 12,937,013	\$ 11,341,742

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

**JEWISH FAMILY & COMMUNITY SERVICES, INC.
AND AFFILIATES**

COMBINED STATEMENT OF CASH FLOWS

**Year Ended June 30, 2021
(with comparative information for the year ended June 30, 2020)**

	<u>2021</u>	<u>(Comparative Information) 2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,595,271	\$ 712,183
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	316,255	324,044
Changes in unrealized (gains) losses on investment securities	(621,202)	78,970
(Increase) decrease in beneficial interest	(22,916)	63,832
Changes in:		
Receivables	734,629	522,639
Other assets	(51,701)	(5,558)
Accounts payable	61,817	179,119
Accrued expenses	357,770	81,592
Advanced grant proceeds and deferred revenue	(483,230)	2,161,238
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>1,886,693</u>	<u>4,118,059</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(4,380)	(55,451)
Proceeds from beneficial interest	-	951,800
Purchases of investments	(1,366,957)	(1,031,087)
NET CASH USED IN INVESTING ACTIVITIES	<u>(1,371,337)</u>	<u>(134,738)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on note payable	(559,320)	(1,362,390)
NET CASH USED IN FINANCING ACTIVITIES	<u>(559,320)</u>	<u>(1,362,390)</u>
NET CHANGE IN CASH	<u>(43,964)</u>	<u>2,620,931</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>5,112,465</u>	<u>2,491,534</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 5,068,501</u>	<u>\$ 5,112,465</u>

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

**JEWISH FAMILY & COMMUNITY SERVICES, INC.
AND AFFILIATES**

COMBINED STATEMENT OF FUNCTIONAL EXPENSES

**Year Ended June 30, 2021
(with comparative summarized information for the year ended June 30, 2020)**

	Program Services					Support Services		2021 Total Expenses	2020 (Comparative Summarized Information)
	Child Safety	Comprehensive Emergency Assistance	Counseling and Adoption	Achievers for Life	Jewish Services	General and Administrative	Fundraising		
Salaries	\$ 5,333,691	\$ 172,441	\$ 1,251,696	\$ 928,082	\$ 530,491	\$ 69,198	\$ 222,561	\$ 8,508,160	\$ 7,693,712
Employee benefits	559,917	20,240	113,623	71,001	57,588	8,310	31,133	861,812	771,401
Payroll taxes and other expenses	502,790	15,468	118,996	90,607	46,631	5,405	17,944	797,841	728,532
Total payroll related expenses	6,396,398	208,149	1,484,315	1,089,690	634,710	82,913	271,638	10,167,813	9,193,645
Professional fees	89,527	1,965	32,436	16,033	13,943	18,244	3,175	175,323	166,377
Contractual service providers	2,494	-	69,799	680,466	-	-	-	752,759	748,022
Supplies	35,948	2,222	4,514	5,530	3,902	732	5,951	58,799	58,962
Telephone	63,215	3,790	13,510	16,926	6,993	1,620	1,925	107,979	65,374
Postage	2,863	1,328	296	74	1,190	275	5,328	11,354	13,270
Occupancy	260,034	30,859	73,671	24,435	32,543	15,309	12,649	449,500	456,543
Software, equipment and maintenance	93,227	3,158	46,166	11,284	12,991	1,688	8,180	176,694	170,995
Printing and publication	1,005	-	4,355	1,340	-	-	2,606	9,306	3,145
Travel	260,946	2,015	3,116	15,400	20,135	5	-	301,617	339,613
Marketing	-	-	115	-	299	-	117,400	117,814	66,748
Conference and training expenses	50,078	645	13,131	1,097	613	812	853	67,229	46,053
Employment	2,712	514	327	421	281	18	94	4,367	4,167
Program expense and supplies	649,629	4	12,154	6,515	792,311	-	15,723	1,476,336	1,445,388
Special assistance	21,217	2,838,360	100	22,483	142,083	36	-	3,024,279	1,283,635
Membership dues	9,522	2,309	2,483	1,411	1,899	293	2,405	20,322	17,597
Bank fees and interest expense	66	1,446	638	-	56	46,055	1,296	49,557	80,498
Insurance	77,090	2,344	11,233	10,664	11,292	28,446	2,509	143,578	133,542
Other expenses	6,950	851	3,688	993	851	567	283	14,183	31,225
Total expenses before depreciation	8,022,921	3,099,959	1,776,047	1,904,762	1,676,092	197,013	452,015	17,128,809	14,324,799
Depreciation	148,856	57,558	32,935	35,361	31,116	2,038	8,391	316,255	324,044
Total Expenses	\$ 8,171,777	\$ 3,157,517	\$ 1,808,982	\$ 1,940,123	\$ 1,707,208	\$ 199,051	\$ 460,406	\$ 17,445,064	\$ 14,648,843

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

**JEWISH FAMILY & COMMUNITY SERVICES, INC.
AND AFFILIATES**

NOTES TO COMBINED FINANCIAL STATEMENTS

Year Ended June 30, 2021

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Jewish Family & Community Services, Inc. (“JFCS, Inc.”) is a not-for-profit corporation established in 1917 and incorporated in 1929. It has been a vital part of the Jacksonville community for over 100 years, providing family and individual social services in support of its mission of helping people help themselves.

JFCS, Inc. provides the Northeast Florida community with individual and family-centered services designed to strengthen the skills necessary for self-sufficiency and physical/mental health and well-being. Services include emergency financial assistance and financial assistance case management, an emergency food pantry, mental health counseling, support groups, adoption, community-based prevention services and foster care, programs for at-risk middle school children, life skills education, and senior services. JFCS, Inc. is primarily supported through donor contributions, government-supported programs and grants, the United Way, and the Jewish Federation of Jacksonville.

JFCS Charities, Inc. and JFCS Realty, Inc. are not-for-profit corporations formed in 2005 to provide support services to JFCS, Inc. JFCS Charities, Inc. holds and invests funds in support of JFCS, Inc. and its mission. JFCS Realty, Inc. owns property and leases it to JFCS, Inc. JFCS Charities, Inc. and JFCS Realty, Inc. have common board members and management with JFCS, Inc. and, as such, are considered affiliates.

These combined financial statements include the accounts of JFCS, Inc., JFCS Charities, Inc. and JFCS Realty, Inc., collectively referred to as the “Organization.” All significant intercompany balances and transactions have been eliminated from these combined financial statements.

Basis of Financial Statement Presentation

The combined financial statements of the Organization have been prepared on the accrual basis of accounting. The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Cash Equivalents

The Organization considers all highly liquid instruments with a maturity of three months or less from the date of purchase to be cash equivalents, except those classified as investments.

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 on proceeds received, less carrying value at the beginning of the reporting period. The cost of securities sold is based on the average cost method. Changes in unrealized gains and losses represent the change in the market value of investment holdings during the period.

Accounts and Contracts Receivable

Accounts and contracts receivable represent amounts due from federal and state programs, businesses, and from clients. Contracts receivable consist mainly of amounts due from Family Support Services of North Florida, Inc. and the State of Florida Department of Children and Families. Accounts and contracts receivable are recorded at the net amount expected to be collected based on an established collection history and review of individual balances. Amounts charged that are not expected to be received, representing contractual adjustments and price concessions, are recognized as a reduction of the related revenue. The Organization recognizes a separate allowance when circumstances have changed the ability to pay receivables and is recognized in the period the change is determined as a reduction of revenue. Account balances are charged off against the allowance after collection efforts have been unsuccessful and the potential for recovery is considered highly unlikely.

Pledges Receivable

Pledges receivable are unconditional promises to give and are recorded when the pledges are made. Pledges that are not expected to be collected within one year are recorded at the present value of estimated future cash receipts using a discount rate of 4%. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not recognized in the combined financial statements.

Property and Equipment

Property and equipment are stated at cost, except for donated equipment, which is stated at fair value at date of receipt. Depreciation is recorded on the straight-line basis over the estimated useful lives of the respective assets ranging from 3 to 30 years. The Organization capitalizes tangible property worth more than \$1,000 and with a useful life in excess of one year.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Revenue Recognition

Support received under grants and contracts with state, local, and private sources is recorded as revenue, based upon the terms of the grant or contract, which generally provide that revenue is earned when the related activities are performed or costs are incurred. The performance obligation is generally satisfied when the related activities are performed or costs are incurred. Funds received in advance or in excess of expenditures are recorded as deferred revenue.

Contributions

Contributions received are reported as with or without donor restrictions, depending on the existence of any donor restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. When a restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Contributed Services

The Organization recognizes contributed services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Functional Expense Allocation

The costs of providing the various programs and other activities have been summarized on a functional basis in the combined statement of functional expenses. The Organization assigns most expenses directly to the benefited function, other costs have been allocated based upon the proportions of direct costs, time spent, and other criteria of each function.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Income Taxes

JFCS, Inc. and JFCS Charities, Inc. have been recognized by the Internal Revenue Service as tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code (“IRC”); and JFCS Realty, Inc. as tax-exempt under Section 501(c)(2) of the IRC. Accordingly, income earned in furtherance of the Organization’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.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Subsequent Events

In preparing these combined financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through January 14, 2022, the date the combined financial statements were available to be issued.

NOTE 2 - LIQUIDITY

Financial assets available to meet cash needs for general expenditures within one year are as follows at June 30, 2021:

Cash and cash equivalents	\$ 5,068,501
Accounts and contracts receivable	672,827
Investments	4,682,899
Less donor-restricted investments	<u>(830,348)</u>
	<u>\$ 9,593,879</u>

As part of a cash and liquidity management policy, the Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

NOTE 3 - INVESTMENTS AND INVESTMENT EARNINGS

Investments consist of the following at June 30, 2021:

JFCS, Inc. Board Designated Fund:	
Money market funds	\$ 1,241,576
Mutual funds	2,610,975
Miller Trust Fund:	
Money market funds	2,686
Mutual funds	<u>827,662</u>
Total	<u>\$ 4,682,899</u>

The cost basis of investments approximated \$4,018,000 at June 30, 2021.

Investment earnings consist of the following at June 30, 2021:

	<u>Without Restrictions</u>	<u>With Restrictions</u>	<u>Total</u>
Investment income	\$ 76,631	\$ -	\$ 76,631
Net realized gain on investments	22,142	15,351	37,493
Change in net unrealized gain on investments	<u>458,235</u>	<u>162,967</u>	<u>621,202</u>
	<u>\$ 557,008</u>	<u>\$ 178,318</u>	<u>\$ 735,326</u>

NOTE 4 - ACCOUNTS AND CONTRACTS RECEIVABLE

Accounts and contracts receivable consist of the following at June 30, 2021:

Accounts receivable	\$ 434,455
Contracts receivable	<u>238,372</u>
Accounts and contracts receivable	<u>\$ 672,827</u>

NOTE 5 - PLEDGES RECEIVABLE

Pledges receivable are restricted for use in the Organization's capital campaign to purchase its new office building.

At June 30, 2021, pledges receivable are expected to be realized as follows:

In one year or less	\$ 119,500
Between one and five years	448,000
Over five years	<u>321,600</u>
	889,100
Less discount to net present value	<u>(99,131)</u>
Pledges receivable, net	<u>\$ 789,969</u>

NOTE 6 - SPLIT-INTEREST AGREEMENT

J. Wayne and Delores Barr Weaver Fund

The Organization is one of a number of other beneficiaries in a split-interest arrangement with a foundation. This foundation holds the J. Wayne and Delores Barr Weaver Fund and pays distributions annually to the beneficiaries solely at the discretion of the foundation. The fund agreement provides for the foundation to have variance power over any distributions. As such, no value is included in the combined financial statements to recognize potential future benefits under this agreement. The Organization had no receipts from the fund during the year ended June 30, 2021.

NOTE 7 - PROPERTY AND EQUIPMENT

Property and equipment, net, consists of the following at June 30, 2021:

Land	\$ 135,016
Buildings	6,586,936
Furniture and equipment	539,627
Building improvements	<u>142,526</u>
	7,404,105
Less accumulated depreciation	<u>(1,837,827)</u>
Total property and equipment, net	<u>\$ 5,566,278</u>

NOTE 8 - BENEFICIAL INTEREST IN KEEBLER FUND

The Organization is the beneficiary of contributions from the Meta Grace Keebler Memorial Endowment Fund (the “Fund”) held on its behalf by the Jewish Federation and Foundation of Northeast Florida (“JFF”). Under the terms of the Fund, the Organization has the right to receive a distribution of 5% of the Fund’s average market value annually at June 30. The fair value of the corpus held at JFF is reported as the beneficial interest, and changes are reported as increases or decreases in other revenue and gains.

NOTE 9 - LINE OF CREDIT

The Organization has a \$375,000 line of credit that matures in February 2022. Advances on the line of credit is payable on demand and accrue interest at a variable rate. Interest on advances is due monthly. The credit line is secured by equipment, inventory, and receivables of the Organization. As of June 30, 2021, no balance was outstanding on the line of credit.

NOTE 10 - LONG-TERM DEBT

Long-term debt consists of the following at June 30, 2021:

Mortgage note payable to Ameris Bank with interest at 3.8%; payable in quarterly installments of principal and interest of \$23,313 through March 2032; secured by a building on Baycenter Road, Jacksonville.	\$ 699,625
Less current portion	<u>(261,648)</u>
Total long-term debt	<u>\$ 437,977</u>

Cash paid for interest on the long-term debt approximated \$44,000 for the year ended June 30, 2021.

Scheduled principal maturities of the mortgage note payable are as follows:

<u>Year</u>	<u>Amount</u>
2022	\$ 261,648
2023	271,733
2024	<u>166,243</u>
	<u>\$ 699,624</u>

The long-term debt requires the Organization to maintain certain minimum financial ratios. The Organization is not aware of any violations of the covenants at June 30, 2021 and 2020. During the year ended June 30, 2021, the Organization made additional payments of approximately \$319,000 to pay off the note payable sooner.

NOTE 11 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at June 30, 2021:

George Cohen Memorial Endowment - Earnings to fund educational scholarships for college age youth or younger	\$ 20,728
L'Dor V'Dor Endowment Fund - Investment earnings available for charitable purposes of the Organization	19,188
Capital Campaign - Pledges receivable	789,969
FANN - Amounts to be used for the Emergency Food Pantry and other nutritional needs	215,711
Chai - Amounts to be used to meet the needs of older adults	1,870
Stein Fund for Children - Amounts to be used for the benefit of children	15,851
Tzedkah Fund - Amounts to be used for the nutritional, transportation and special needs of adults	2,192
DuBow Family Foundation - Amounts to be used to support various needs of children, families, and seniors	149,736
Jewish Healing Network - Amounts to be used to pay expenses of program	2,843
Jewish Services - Holocaust	109,976
Jewish Services - Other	10,824
Transportation Fund - Amounts to be used to help subsidize senior transportation rides with Call to Go Program	1,382
Aging Out - Amounts to be used for basic living necessities for children aging out of the foster care system	15,767
Gooding Fund - Amounts to be used to pay expenses of at-risk children to improve the quality of their lives	3,204
Holiday Gift Giving - Amounts used for the purchase of gifts for needy children and adults	30,235
Josh Bay Fund - Amounts to help provide for the needs of children	50
Frisch Holocaust Gallery	22,409
Holland & Knight - Amounts to be used for assistance with Achievers for Life Program or Child Safety Program	2,560
PJ Library - Amounts for Jewish-content books and music for families raising Jewish children in the community	50,224
Alexandra Miller Endowment for JHN - Amounts to be used to enhance the Jewish Service Program	830,348
Raela & Norman Moss Endowment - Earnings are designated by the Board to build the L'Dor V'Dor Endowment	15,000
Beneficial Interest in Keebler Fund - Earnings to be used for services to children	150,000
Dubrow Rainbow of Hope Endowment - Earnings to be used to fund activities or services needed to improve the attitude, outlook and mental health of young males experiencing difficulties of transitioning through life	5,426
NCJW Fresh Start (Aging Out) - Established to support teenagers who are aging out of foster care and beginning to live on their own	<u>5,466</u>
Total donor-restricted net assets	<u>\$ 2,470,959</u>

NOTE 12 - ENDOWMENTS

Endowments can include both donor-restricted endowment funds and funds designated by the Board of Directors (the “Board”) to function as endowments. Net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported in the combined financial statements based on the existence or absence of donor-imposed restrictions.

Donor-Restricted Endowments

The Organization interprets the Florida Uniform Prudent Management of Institutional Funds Act 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. As a result of this interpretation, the Organization classifies as donor-restricted net assets (a) the original value of gifts donated to the endowment, (b) the value of subsequent events to the endowment, and (c) accumulations to the endowment made in accordance with the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in donor-restricted net assets is classified as net assets without donor restrictions as the restrictions are satisfied.

The Organization had approximately \$216,000 of donor-restricted endowments at June 30, 2021, of which earnings are unrestricted and included in investment earnings on the accompanying combined statement of activities.

Appropriation of Endowment Assets

The Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

Expenditures of endowment assets are made in conjunction with the intent of the donor instrument.

NOTE 12 - ENDOWMENTS (Continued)

Return Objectives

The primary investment objectives for the Organization's endowments are (1) to achieve long term capital appreciation, and (2) the preservation of capital on an inflation-adjusted basis. The Organization expects income annually and, therefore, will only accept minimal short-term volatility in those assets providing short-term income. However, the majority of assets are to be invested for the long term, and volatility in these assets is to be expected and accepted. Based on the investment objectives stated previously, the Organization's long-term goals are as follows:

- (1) Grow endowment over time in excess of both withdrawals and inflation
- (2) Preserve the endowment
- (3) To earn a net investment return of at least 4% annually in excess of the rate of inflation, as measured by the Consumer Price Index for the same time period
- (4) To reach total asset benchmarks at the end of each year
- (5) To create a system of rebalancing assets to mitigate downside volatility and to take advantage of market movements

Risk Parameters

The Organization defines risk in two primary ways: (1) risk of principal loss, and (2) risk of declining purchasing power (losing to inflation). The Organization rates its own risk tolerance as moderate. The Organization recognizes that higher returns involve some volatility and has indicated a willingness to tolerate declines in value in any given year. The endowment will be managed in a manner that seeks to minimize principal fluctuations over the established horizon and is consistent with the stated objectives. Financial research has demonstrated that risk is best minimized through diversification of assets (including international investments) and through systematic rebalancing back to target allocations.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Organization to retain as a fund of perpetual duration. As of June 30, 2021, there were no deficiencies of this nature.

NOTE 13 - RETIREMENT PLAN

The Organization sponsors a 403(b) retirement plan for the benefit of substantially all employees. Matching contributions to the plan are at the discretion of the Board. The Organization did not make contributions to the plan during the year ended June 30, 2021.

In addition, the Organization maintains an employee benefit plan open to certain key employees under IRC, Section 457. The Organization made contributions to this plan of approximately \$76,000 during the year ended June 30, 2021.

NOTE 14 - FAIR VALUE MEASUREMENTS

The fair value of financial instruments is presented based upon a hierarchy of levels that prioritizes 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). 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 Organization's investments, consisting of money market funds and mutual funds, are valued using quoted market prices (Level 1). Beneficial interest in the trust is valued based on the present value of the estimated annuity payments and the present value of the underlying investments owned by the trust, minus any liabilities, and then multiplied by the Organization's ownership percentage (Level 2). Beneficial interest in assets held by the JFF is valued based on the value of the underlying investments, minus any liabilities, and then multiplied by the Organization's ownership percentage (Level 3); the unobservable inputs are the underlying assets in the pooled investment funds.

The following tables set forth by level, within the fair value hierarchy, the Organization's investments and beneficial interest in assets measured at fair value as of June 30, 2021:

Description	Fair Value Measurement			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments in money market and mutual funds	\$ 4,682,899	\$ 4,682,899	\$ -	\$ -
Beneficial interest in the Keebler Fund	178,073	-	-	178,073
	<u>\$4,860,972</u>	<u>\$4,682,899</u>	<u>\$ -</u>	<u>\$ 178,073</u>

Changes in the Organization's Level 3 assets are summarized in the following tabulation:

Balance, beginning of year	\$ 155,157
Net appreciation	30,825
Distribution to Organization	<u>(7,909)</u>
Balance, end of year	<u>\$ 178,073</u>

NOTE 15 - COMPARATIVE INFORMATION

The combined statements of financial position, activities, cash flows, and functional expenses include certain prior-year comparative and summarized comparative information. The summarized comparative information presents amounts in total but not by net asset class or by program and support function. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's combined financial statements for the year ended June 30, 2020, from which the summarized information was derived.

NOTE 16 - COVID-19 AND FEDERAL FUNDING

In 2019, a new coronavirus ("COVID-19") was identified as the cause of a disease outbreak. On March 11, 2020, the World Health Organization declared COVID-19 a pandemic. The Families First Coronavirus Response Act ("FFCRA") and the Coronavirus Aid, Relief, and Economic Security ("CARES") Act were signed into law on March 18, 2020 and March 27, 2020, respectively, to address the impact of COVID-19.

As part of the CARES Act, the Organization was granted funding through the Paycheck Protection Program (the "PPP") in the form of a loan which may be forgiven if used for qualifying expenses as described in the CARES Act. During the year ended June 30, 2020, the Organization received approximately \$1,636,000 through the PPP. The Organization used approximately \$591,000 of the funds for qualifying expenses through June 30, 2020 and an additional \$825,000 through June 30, 2021. These earned funds have been recognized as revenue and included in other grants in the combined statements of activities. Approximately \$1,416,000 of the PPP funds has been forgiven and the remaining approximately \$221,000 is recorded as advanced grant proceeds liability at June 30, 2021 and is being refunded.

NOTE 17 - COMMITMENTS AND CONTINGENCIES

Credit Risk

Financial instruments, which potentially subject the Organization to concentrations of credit risk, principally consist of cash held in financial institutions in excess of federally insured limits, investments, and accounts, contracts and pledges receivable.

The Organization maintains its cash with what management believes to be quality financial institutions and limits the amount of credit exposure. Concentrations of credit risk with respect to private-pay accounts and pledges receivable is somewhat mitigated by the number of private-pay clients and donors. Credit risk with respect to the Medicaid program and other government program contracts receivable is mitigated by the taxing authority of the governmental entities funding the programs.

NOTE 17 - COMMITMENTS AND CONTINGENCIES *(Continued)*

Credit Risk *(Continued)*

Investments are subject to the risk of market fluctuations. Investment securities are exposed to various risks, such as interest rate, 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.

Concentrations

Revenue, for the year ended June 30, 2021, included support from one funding source, which accounted for approximately 43% of the Organization's total revenue. Expenses pertaining to this funding accounted for approximately 47% of the Organization's total expenses.

Medicaid Program

The Organization receives reimbursement for Medicaid for certain mental health services. Laws and regulations governing the Medicaid program are complex and are subject to interpretation. The Organization believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future governmental review and interpretation, as well as significant regulatory action, including fines, penalties and exclusion from the Medicaid program.

Governmental funding for healthcare programs is subject to statutory and regulatory changes, administrative rulings, interpretations of policy, intermediary determinations, and governmental funding restrictions, all of which may materially affect program reimbursement to healthcare facilities. Changes in the reimbursement policies of the Medicaid program, as a result of legislative and regulatory actions, could adversely affect the revenues of the Organization.

SUPPLEMENTAL INFORMATION



INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTAL INFORMATION

Board of Directors
Jewish Family & Community Services, Inc.
and Affiliates
Jacksonville, Florida

We have audited the combined financial statements of Jewish Family & Community Services, Inc. and Affiliates (the "Organization") as of and for the year ended June 30, 2021, and our report thereon dated January 14, 2022, which contained an unmodified opinion on those combined financial statements, appears on pages 1 and 2. Our audit was performed for the purpose of forming an opinion on the combined financial statements as a whole.

The schedule of expenditures of federal awards and schedule of expenditures of state financial assistance for the year ended June 30, 2021, appearing on pages 24 and 25, respectively, are presented for the purpose of additional analysis or to meet the requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and Chapter 10.650, *Rules of the Auditor General*, and are not a required part of the combined financial statements. The supplemental schedule of sources and uses of grant funding from the City of Jacksonville, appearing on pages 20 through 22, as well as the supplemental schedule of sources and uses of grant funding from the Conference on Jewish Material Claims Against Germany, on page 23, are also presented for the purposes of additional analysis and is 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.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
January 14, 2022

**JEWISH FAMILY & COMMUNITY SERVICES, INC.
AND AFFILIATES**

**SCHEDULE OF SOURCES AND USES OF GRANT FUNDING
FROM THE CITY OF JACKSONVILLE**

Year Ended June 30, 2021

The following schedule is presented to comply with Section 118.202(b) of the Jacksonville Municipal Code.

<u>Receipt of City Funds</u>	2019-2020	2020-2021	2019-2020	2020-2021	Safe Havens Grant through 6/30/2021	2019-2020	2020-2021	KHA Grant through 6/30/2021
	Public Service Grant through 9/30/2020	Public Service Grant through 6/30/2021	Criminal Justice Reinvestment Grant through 9/30/2020	Criminal Justice Reinvestment Grant through 6/30/2021		Full Service Schools Grant through 6/30/2021	Full Service Schools Grant through 6/30/2021	
Amount of Award (per City budget ordinance)	\$ 150,000	\$ 150,000	\$ 198,549	\$ 159,221	\$ 179,439	\$ 200,000	\$ 200,000	\$ 242,856
Actual Funds Received from City in Last Audit Period	(36,146)	-	(123,027)	-	-	(90,382)	-	-
Actual Amount Received this Period	(113,689)	(46,988)	(70,331)	(74,282)	(130,481)	(99,948)	(127,489)	(151,757)
Due from City	-	(9,202)	-	(4,000)	(26,571)	-	(40,975)	(54,032)
Amount Remaining	\$ 165	\$ 93,810	\$ 5,191	\$ 80,939	\$ 22,387	\$ 9,670	\$ 31,536	\$ 37,067

Expenditures of City Funds

2019-2020 Public Service Grant through 6/30/20

Budget Item	Budgeted	Actual 10/1/19- 6/30/20	Actual 7/1/20- 9/30/20	Total Actual	Remaining Balance
Salaries	\$ 15,627	\$ 11,720	\$ 3,907	\$ 15,627	\$ -
Taxes & Benefits	1,193	849	283	1,132	61
Food Pantry	-	-	-	-	-
Housing Assistance	96,000	18,529	77,471	96,000	-
Utility Assistance	32,817	8,199	24,618	32,817	-
Equipment	-	-	-	-	-
Occupancy	3,918	2,939	979	3,918	-
Office Expenses	375	258	83	341	34
Travel/Mileage	70	-	-	-	70
Totals	\$ 150,000	\$ 42,494	\$ 107,341	\$ 149,835	\$ 165

2020-2021 Public Service Grant through 6/30/21

Budget Item	Budgeted	Actual 10/1/20- 6/30/21	Actual 7/1/21- 9/30/21	Total Actual	Remaining Balance
Salaries	\$ 15,627	\$ 11,724	\$ -	\$ 11,724	\$ 3,903
Taxes & Benefits	1,193	895	-	895	298
Food Pantry	-	-	-	-	-
Housing Assistance	96,000	33,775	-	33,775	62,225
Utility Assistance	32,817	6,572	-	6,572	26,245
Equipment	-	-	-	-	-
Occupancy	3,918	2,938	-	2,938	980
Office Expenses	375	286	-	286	89
Travel/Mileage	70	-	-	-	70
Totals	\$ 150,000	\$ 56,190	\$ -	\$ 56,190	\$ 93,810

2020-2021 Criminal Justice Reinvestment Grant through 6/30/21

Budget Item	Budgeted	Actual 10/1/19- 6/30/20	Actual 7/1/20- 6/30/21	Total Actual	Remaining Balance
Employee Compensation	\$ 147,000	\$ 145,733	\$ 3,869	\$ 149,602	\$ (2,602)
Taxes & Benefits	24,226	23,727	3,813	27,540	(3,314)
Travel	3,549	1,569	1,310	2,879	670
Conferences and Seminars	1,008	756	35	791	217
Office Expense	3,960	3,406	813	4,219	(259)
Program Supplies	15,798	5,809	2,485	8,294	7,504
Small Equipment	-	-	-	-	-
Direct Client Expense	2,668	-	-	-	2,668
Other	340	-	33	33	307
Totals	\$ 198,549	\$ 181,000	\$ 12,358	\$ 193,358	\$ 5,191

See Independent Auditor's Report on Supplemental Information.

**JEWISH FAMILY & COMMUNITY SERVICES, INC.
AND AFFILIATES**

**SCHEDULE OF SOURCES AND USES OF GRANT FUNDING
FROM THE CITY OF JACKSONVILLE (Continued)**

Year Ended June 30, 2021

2019-2020 Criminal Justice Reinvestment Grant through 6/30/20

Budget Item	Budgeted	Actual 10/1/18- 6/30/19	Actual 7/1/19- 6/30/20	Total Actual	Remaining Balance
Employee Compensation	\$ 112,337	\$ -	\$ 60,858	\$ 60,858	\$ 51,479
Taxes & Benefits	17,966	-	12,826	12,826	5,140
Travel	3,871	-	91	91	3,780
Conferences and Seminars	-	-	-	-	-
Office Expense	5,048	-	2,167	2,167	2,881
Program Supplies	16,241	-	2,340	2,340	13,901
Small Equipment	-	-	-	-	-
Direct Client Expense	3,418	-	-	-	3,418
Other	340	-	-	-	340
Totals	\$ 159,221	\$ -	\$ 78,282	\$ 78,282	\$ 80,939

Safe Haven Grant through 6/30/21

Budget Item	Budgeted	Actual 7/1/20- 9/30/20	Actual 10/1/20- 6/30/21	Total Actual	Remaining Balance
Employee Compensation	\$ 74,437	\$ 16,136	\$ 61,096	\$ 77,232	\$ (2,795)
Taxes & Benefits	7,466	1,540	5,679	7,219	247
Travel	240	23	42	65	175
Conferences and Seminars	3,750	-	-	-	3,750
Office Expense	2,558	1,007	2,875	3,882	(1,324)
Program Supplies	89,788	6,458	62,042	68,500	21,288
Small Equipment	1,200	-	154	154	1,046
Direct Client Expense	-	-	-	-	-
Other	-	-	-	-	-
Totals	\$ 179,439	\$ 25,164	\$ 131,888	\$ 157,052	\$ 22,387

2019-2020 Full Service Schools Grant through 6/30/20

Budget Item	Budgeted	Actual 7/1/19- 9/30/19	Actual 10/1/19- 6/30/20	Total Actual	Remaining Balance
Employee Compensation	\$ 132,620	\$ -	\$ 123,021	\$ 123,021	\$ 9,599
Taxes & Benefits	34,629	-	31,420	31,420	3,209
Travel	3,980	-	1,306	1,306	2,674
Conferences and Seminars	-	-	70	70	(70)
Office Expense	2,421	-	6,778	6,778	(4,357)
Program Supplies	3,600	-	5,212	5,212	(1,612)
Small Equipment	2,600	-	-	-	2,600
Direct Client Expense	20,000	-	19,487	19,487	513
Other	150	-	3,036	3,036	(2,886)
Totals	\$ 200,000	\$ -	\$ 190,330	\$ 190,330	\$ 9,670

2020-2021 Full Service Schools Grant through 6/30/21

Budget Item	Budgeted	Actual 7/1/20- 9/30/20	Actual 7/1/20- 6/30/21	Total Actual	Remaining Balance
Employee Compensation	\$ 132,620	\$ 22,736	\$ 99,465	\$ 122,201	\$ 10,419
Taxes & Benefits	34,629	5,908	20,477	26,385	8,244
Travel	3,980	69	60	129	3,851
Conferences and Seminars	-	-	-	-	-
Office Expense	2,421	115	398	513	1,908
Program Supplies	3,600	71	514	585	3,015
Small Equipment	2,600	-	-	-	2,600
Direct Client Expense	20,000	4,941	13,635	18,576	1,424
Other	150	-	75	75	75
Totals	\$ 200,000	\$ 33,840	\$ 134,624	\$ 168,464	\$ 31,536

See Independent Auditor's Report on Supplemental Information.

**JEWISH FAMILY & COMMUNITY SERVICES, INC.
AND AFFILIATES**

**SCHEDULE OF SOURCES AND USES OF GRANT FUNDING
FROM THE CITY OF JACKSONVILLE (Continued)**

Year Ended June 30, 2021

KHA Grant through 6/30/21

Budget Item	Budgeted	Actual 7/1/20- 9/30/20	Actual 10/1/20- 6/30/21	Total Actual	Remaining Balance
Employee Compensation	\$ 165,493	\$ 38,633	\$ 116,701	\$ 155,334	\$ 10,159
Taxes & Benefits	39,371	7,611	21,904	29,515	9,856
Travel	3,758	-	-	-	3,758
Conferences and Seminars	-	-	-	-	-
Office Expense	3,349	153	443	596	2,753
Program Supplies	3,243	-	-	-	3,243
Small Equipment	3,207	-	-	-	3,207
Direct Client Expense	24,285	5,007	15,337	20,344	3,941
Other	150	-	-	-	150
Totals	<u>\$ 242,856</u>	<u>\$ 51,404</u>	<u>\$ 154,385</u>	<u>\$ 205,789</u>	<u>\$ 37,067</u>

See Independent Auditor's Report on Supplemental Information.

**JEWISH FAMILY & COMMUNITY SERVICES, INC.
AND AFFILIATES**

**SCHEDULE OF SOURCES AND USES OF GRANT FUNDING
FROM THE CONFERENCE ON JEWISH MATERIAL CLAIMS AGAINST GERMANY**

Year Ended June 30, 2021

<u>Receipt of Conference Funds</u>	2020 Claims Conference Grant through 6/30/2020	2021 Claims Conference Grant through 6/30/2021
Amount of award (Calendar Year Allocation)	Grant #GG22 \$ 1,172,317	Grant #GG23 \$ 1,354,702
Actual amount expended exclusively for the purpose for which granted	<u>(914,272)</u>	<u>(602,427)</u>
Funds available for expenditure	<u>\$ 258,045</u>	<u>\$ 752,275</u>
Actual funds received from Claims Conference in period ended 6/30/2020	\$ 992,746	\$ -
Actual amount received in period ended 6/30/2021	<u>406,995</u>	<u>745,227</u>
Total funds received	<u>\$ 1,399,741</u>	<u>\$ 745,227</u>

Note: Actual expenses incurred in fiscal year ending June 30th.

See Independent Auditor's Report on Supplemental Information.

**JEWISH FAMILY & COMMUNITY SERVICES, INC.
AND AFFILIATES**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2021

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Contract / Grant Number</u>	<u>Federal Expenditures</u>
Department of Justice:			
Passed through City of Jacksonville:			
Supervised Visitation, Safe Haven for Children	16.527	AD-2018-833-E	\$ 157,052
Department of Health and Human Services:			
Passed through Family Support Services:			
Temporary Assistance for Needy Families	93.558	CMO 019	600,204
Promoting Safe and Stable Families	93.556	CMO 019	522,173
Stephanie Tubbs Jones Child Welfare Services Program	93.645	CMO 019	43,220
Administration for Children, Youth and Families	93.669	CMO 019	119,838
Social Services Block Grant	93.667	CMO 019	20,945
Foster Care - Title IV-E	93.658	CMO 019	976,708
Adoption Assistance	93.659	CMO 019	<u>53,893</u>
Total Department of Health and Human Services			2,336,981
Department of Homeland Security:			
Passed through Emergency Food and Shelter Program:			
Emergency Food and Shelter National Board Program	97.024	31-1608-00-006	28,000
Department of the Treasury:			
Passed through United Way:			
Emergency Rental Assistance Program	21.023	20-0150-0-1-806	1,578,098
Department of Housing and Urban Development:			
Passed through Changing Homelessness:			
Emergency Solutions Grant-CV	14.231	DP002CV-JF	<u>3,817</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 4,103,948</u>

NOTE 1 - BASIS OF PRESENTATION

The schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Jewish Family & Community Services, Inc. and Affiliates (the "Organization"). The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in the Office of Management and Budget Circular A-122, *Cost Principles for Non-Profit Organizations*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - INDIRECT COST RATE

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

See Independent Auditor's Report on Supplemental Information.

**JEWISH FAMILY & COMMUNITY SERVICES, INC.
AND AFFILIATES**

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

Year Ended June 30, 2021

<u>State Grantor/Pass-Through Grantor Program Title</u>	<u>State CSFA Number</u>	<u>Contract / Grant Number</u>	<u>State Expenditures</u>
State of Florida Department of Children and Families:			
Passed through Family Support Services:			
Out-of-Home Supports	60.074	CMO 019	\$ 506,786
CBC-PTS for Children	60.183	CMO 019	61,498
 ElderSource	 65.009	 L021-JFCS	 243,868
Passed through the City of Jacksonville:			
Emergency Financial Assistance	75.903	Program JXMS011PSG City Ordinance 2014-466-E	<u>160,677</u>
TOTAL STATE FINANCIAL EXPENDITURES			<u><u>\$ 972,829</u></u>

NOTE 1 - BASIS OF PRESENTATION

The schedule of expenditures of state financial assistance (the "Schedule") includes the state grant activity of the Organization and is presented using the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of Chapter 10.650, *Rules of the Auditor General*. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

See Independent Auditor's Report on Supplemental Information.



Certified Public Accountants

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors
Jewish Family & Community Services, Inc.
and Affiliates
Jacksonville, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the combined financial statements of Jewish Family & Community Services, Inc. and Affiliates (the “Organization”), which comprise the combined statement of financial position as of June 30, 2021, and the related combined statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the combined financial statements, and have issued our report thereon dated January 14, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the combined financial statements, 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 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.

Board of Directors
Jewish Family & Community Services, Inc.
and Affiliates

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 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 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

Orlando, Florida
January 14, 2022



Certified Public Accountants

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND STATE PROJECT AND
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE
UNIFORM GUIDANCE AND CHAPTER 10.650, *RULES OF THE AUDITOR GENERAL***

Board of Directors
Jewish Family & Community Services, Inc.
and Affiliates
Jacksonville, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited the compliance of Jewish Family & Community Services, Inc. and Affiliates (the “Organization”) with the types of compliance requirements described in the *OMB Compliance Supplement* and the Department of Financial Services *State Projects Compliance Supplement* that could have a direct and material effect on each of its major federal programs and state projects for the year ended June 30, 2021. The Organization’s major federal programs and state projects are identified in the summary of auditor’s results section of the accompanying Schedule of Findings and Questioned Costs.

Management’s Responsibility

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

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization’s major federal programs and state projects 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; 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”); and Chapter 10.650, *Rules of the Auditor General*. Those standards, the Uniform Guidance, and Chapter 10.650, *Rules of the Auditor General*, 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 or state project 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 and state project. However, our audit does not provide a legal determination of the Organization’s compliance.

Opinion on Each Major Federal Program and State Project

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 and state projects for the year ended June 30, 2021.

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 or state project 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 or state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General*, 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 or state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project 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 or state project 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 the 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.

Purpose of this Report

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 and Chapter 10.650, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
January 14, 2022

**JEWISH FAMILY & COMMUNITY SERVICES, INC.
AND AFFILIATES**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2021

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued	Unmodified		
Internal control over financial reporting:			
Material weakness(es) identified?	_____ Yes	_____ <u>X</u>	No
Significant deficiency(ies) identified?	_____ Yes	_____ <u>X</u>	None Reported
Noncompliance material to financial statements noted?	_____ Yes	_____ <u>X</u>	No

Federal Awards and State Projects

Internal control over major federal programs and state projects:			
Material weakness(es) identified?	_____ Yes	_____ <u>X</u>	No
Significant deficiency(ies) identified?	_____ Yes	_____ <u>X</u>	None Reported
Type of auditor's report issued on compliance for major federal programs and state projects	Unmodified		
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) or Chapter 10.650, <i>Rules of the Auditor General</i> ?	_____ Yes	_____ <u>X</u>	No

**JEWISH FAMILY & COMMUNITY SERVICES, INC.
AND AFFILIATES**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

Year Ended June 30, 2021

SECTION I - SUMMARY OF AUDITOR'S RESULTS (Continued)

Federal Awards and State Projects (Continued)

Identification of major federal programs and major state projects:

Name of Federal Program or Cluster	CFDA Number
Emergency Rental Assistance	21.023
Foster Care - Title IV-E	93.658

Name of State Project	CSFA Number
Out-of-Home Supports	60.074

Dollar threshold used to distinguish between Type A and Type B programs for federal awards:	\$750,000
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Dollar threshold used to distinguish between Type A and Type B programs for state projects:	\$179,027
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Auditee qualified as low-risk auditee?	<u> X </u>	Yes	<u> </u>	No
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SECTION II - FINANCIAL STATEMENT FINDINGS

No findings were reported.

SECTION III - FEDERAL AWARDS AND STATE PROJECTS FINDINGS AND QUESTIONED COSTS

No findings were reported.

SECTION IV - OTHER ISSUES

No management letter is required because there were no findings required to be reported in the management letter.

No Summary Schedule of Prior Audit Findings is required because there were no prior audit findings.