

2020

FINANCIAL STATEMENTS

with Independent Auditor's Report

December 31, 2020



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THE FIRM FOR GROWTH.®

Independent Auditor's Report

Board of Directors
Jewish Family Services of St. Louis
St. Louis, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Jewish Family Services of St. Louis ("JFS"), which comprise the statements of financial position as of December 31, 2020 and 2019 and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jewish Family Services of St. Louis as of December 31, 2020 and 2019 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note B to the financial statements, in March 2020, the World Health Organization had declared COVID-19 to constitute a “Public Health Emergency of International Concern.” Given the uncertainty of the situation, the duration of any business disruption and related financial impact cannot be reasonably estimated at this time. Our opinion is not modified with respect to this matter.

Other Matters

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 20, 2021, on our consideration of JFS’ 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 JFS’ internal control over financial reporting and compliance.

Brown Smith Wallace, LLP

St. Louis, Missouri
April 20, 2021

JEWISH FAMILY SERVICES OF ST. LOUIS

Statements of Financial Position

December 31, 2020 and 2019

(See Independent Auditor's Report)

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 2,206,762	\$ 1,591,497
Accounts receivable, net	395,503	256,250
Prepaid expenses and other assets	14,490	22,125
Investments, at fair value	9,931,417	7,559,097
Beneficial interest in perpetual trust	370	400
Unconditional promises to give	964,162	1,062,666
Property and equipment, net	3,421,172	3,327,409
TOTAL ASSETS	<u>\$ 16,933,876</u>	<u>\$ 13,819,444</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 154,982	\$ 76,258
Accrued expenses	149,185	270,047
Homemaker deposits	64	208
Capital lease liability	34,703	41,761
Total Liabilities	338,934	388,274
Net Assets		
Without donor restrictions	9,556,821	7,300,868
With donor restrictions	7,038,121	6,130,302
Total Net Assets	<u>16,594,942</u>	<u>13,431,170</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 16,933,876</u>	<u>\$ 13,819,444</u>

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

JEWISH FAMILY SERVICES OF ST. LOUIS

Statement of Activities

Year ended December 31, 2020

(See Independent Auditor's Report)

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions	\$ 1,999,774	\$ 738,749	\$ 2,738,523
Special program and government grants	1,408,348	-	1,408,348
United Way of Greater St. Louis	-	551,841	551,841
Jewish Federation of St. Louis	-	759,000	759,000
Associated organizations	125,000	-	125,000
Fees for professional services rendered	336,386	-	336,386
Investment return, net	803,379	570,861	1,374,240
Other income	106,481	-	106,481
Net assets released from restrictions	1,712,632	(1,712,632)	-
TOTAL SUPPORT AND REVENUE	6,492,000	907,819	7,399,819
EXPENSES			
Program services:			
Clinical Services	1,359,592	-	1,359,592
Care Management	228,191	-	228,191
Food Pantry	976,771	-	976,771
Child Abuse Prevention	190,792	-	190,792
Financial Assistance	229,495	-	229,495
Older Adult Services	879,583	-	879,583
Total program services	3,864,424	-	3,864,424
Supporting services:			
Management and general	543,460	-	543,460
Fundraising	383,163	-	383,163
Total supporting services	926,623	-	926,623
TOTAL EXPENSES	4,791,047	-	4,791,047
CHANGE IN NET ASSETS BEFORE FORGIVENESS OF PPP LOAN	1,700,953	907,819	2,608,772
Forgiveness of PPP loan	555,000	-	555,000
CHANGE IN NET ASSETS	2,255,953	907,819	3,163,772
Net assets, beginning of year	7,300,868	6,130,302	13,431,170
Net assets, end of year	\$ 9,556,821	\$ 7,038,121	\$ 16,594,942

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

JEWISH FAMILY SERVICES OF ST. LOUIS

Statement of Activities

Year ended December 31, 2019

(See Independent Auditor's Report)

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions	\$ 777,384	\$ 213,696	\$ 991,080
Special program and government grants	1,258,030	-	1,258,030
Special event revenue, net of direct expenses of \$101,736	247,057	-	247,057
United Way of Greater St. Louis	-	677,181	677,181
Jewish Federation of St. Louis	214,451	759,000	973,451
Associated organizations	75,000	-	75,000
Fees for professional services rendered	396,699	-	396,699
Investment return, net	573,189	481,145	1,054,334
Other income	27,954	-	27,954
Net assets released from restrictions	1,321,358	(1,321,358)	-
TOTAL SUPPORT AND REVENUE	4,891,122	809,664	5,700,786
EXPENSES			
Program services:			
Clinical Services	1,464,201	-	1,464,201
Care Management	199,259	-	199,259
Food Pantry	1,029,350	-	1,029,350
Child Abuse Prevention	206,978	-	206,978
Financial Assistance	215,838	-	215,838
Older Adult Services	913,867	-	913,867
Total program services	4,029,493	-	4,029,493
Supporting services:			
Management and general	629,443	-	629,443
Fundraising	419,573	-	419,573
Total supporting services	1,049,016	-	1,049,016
TOTAL EXPENSES	5,078,509	-	5,078,509
CHANGE IN NET ASSETS	(187,387)	809,664	622,277
Net assets, beginning of year	7,488,255	5,320,638	12,808,893
Net assets, end of year	\$ 7,300,868	\$ 6,130,302	\$ 13,431,170

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

JEWISH FAMILY SERVICES OF ST. LOUIS

Statements of Cash Flows

Years ended December 31, 2020 and 2019

(See Independent Auditor's Report)

	2020	2019
Cash flows from operating activities:		
Change in net assets	\$ 3,163,772	\$ 622,277
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	182,504	174,724
Provision for net present value on promises to give	1,288	17,758
Forgiveness of PPP Loan	(555,000)	-
Change in value of beneficial interest in trusts	30	8,783
Realized/unrealized (gain) loss on investments	(1,379,458)	(1,025,632)
Changes in operating assets:		
Unconditional promises to give	97,216	(140,893)
Accounts receivables	(139,253)	(61,635)
Prepaid expenses	7,635	(22,125)
Changes in operating liabilities:		
Accounts payable	78,724	(25,929)
Accrued expenses	(120,862)	45,074
Homemaker deposits	(144)	(785)
Advances due to unrelated parties	-	(16,875)
Net cash provided by (used in) operating activities	1,336,452	(425,258)
Cash flows from investing activities:		
Investment purchases	(1,862,843)	(591,580)
Payments on capital leases	(7,058)	(588)
Proceeds from sale of investments	898,734	923,314
Reinvestment of interest and dividends	(35,808)	(68,204)
Property and equipment purchased	(276,267)	(65,068)
Net cash provided by (used in) investing activities	(1,283,242)	197,874
Cash flows from financing activities:		
Contributions received for purposes of endowment	7,055	8,807
Proceeds from PPP Loan	555,000	-
Net cash provided by financing activities	562,055	8,807
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	615,265	(218,577)
Cash and cash equivalents, beginning of year	1,591,497	1,810,074
Cash and cash equivalents, end of year	\$ 2,206,762	\$ 1,591,497
Non-cash investing and financing activities:		
Equipment purchased under capital leases	\$ -	\$ 42,349

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

JEWISH FAMILY SERVICES OF ST. LOUIS

Statement of Functional Expenses

Year ended December 31, 2020

(See Independent Auditor's Report)

	Program Services							Supporting Services		Total Expenses
	Clinical Services	Care Management	Food Pantry	Child Abuse Prevention	Financial Assistance	Older Adult Services	Total	Management and General	Fund-raising	
Salaries	\$ 745,644	\$ 142,565	\$ 429,732	\$ 119,502	\$ 35,154	\$ 276,783	\$ 1,749,380	\$ 351,324	\$ 135,045	\$ 2,235,749
Contracted professionals	245,293	-	-	-	-	-	245,293	-	-	245,293
Benefits	80,378	31,528	93,241	14,159	8,539	41,230	269,075	61,163	15,242	345,480
Taxes	52,341	10,075	30,069	8,378	2,457	19,508	122,828	24,713	9,548	157,089
Total salaries and related expenses	1,123,656	184,168	553,042	142,039	46,150	337,521	2,386,576	437,200	159,835	2,983,611
Assistance to individuals	-	-	94,578	-	174,540	458,655	727,773	-	-	727,773
Bad debt	-	-	-	-	-	738	738	-	4,080	4,818
Depreciation	53,222	7,602	66,689	6,880	663	17,650	152,706	20,023	9,775	182,504
Dues and subscriptions	3,375	851	3,447	1,032	177	1,433	10,315	1,338	3,166	14,819
Insurance	6,447	1,456	10,367	1,970	338	2,568	23,146	2,554	2,500	28,200
Marketing and advertising	13,152	3,232	16,869	4,020	690	5,239	43,202	5,273	21,208	69,683
Meetings and meals	385	67	363	91	491	118	1,515	117	1,453	3,085
Occupancy	86,864	11,522	104,025	10,429	990	26,754	240,584	30,351	21,034	291,969
Office expense	39,236	14,692	31,431	9,014	4,199	19,442	118,014	6,378	34,204	158,596
Program supplies	12,699	550	23,643	8,636	-	3,232	48,760	-	-	48,760
Professional fees	14,639	1,345	37,482	3,369	521	2,727	60,083	39,227	124,350	223,660
Recruiting expense	1,258	1,171	1,419	149	526	1,240	5,763	121	918	6,802
Special event expenses	-	-	-	-	-	-	-	-	-	-
Staff development	4,316	440	2,454	1,800	188	1,019	10,217	512	579	11,308
Travel - local	343	1,095	413	1,363	22	1,214	4,450	61	61	4,572
Vehicle expense	-	-	26,971	-	-	-	26,971	286	-	27,257
Volunteers	-	-	3,578	-	-	33	3,611	19	-	3,630
Total expenses by function	1,359,592	228,191	976,771	190,792	229,495	879,583	3,864,424	543,460	383,163	4,791,047
Less expenses included with revenues on the statement of activities										
Special event expense	-	-	-	-	-	-	-	-	-	-
Total expenses included on the statement of activities	\$ 1,359,592	\$ 228,191	\$ 976,771	\$ 190,792	\$ 229,495	\$ 879,583	\$ 3,864,424	\$ 543,460	\$ 383,163	\$ 4,791,047

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

JEWISH FAMILY SERVICES OF ST. LOUIS

Statement of Functional Expenses

Year ended December 31, 2019

(See Independent Auditor's Report)

	Program Services							Supporting Services		Total Expenses
	Clinical Services	Care Management	Food Pantry	Child Abuse Prevention	Financial Assistance	Older Adult Services	Total	Management and General	Fund-raising	
Salaries	\$ 842,996	\$ 129,287	\$ 452,795	\$ 118,850	\$ 72,010	\$ 330,229	\$ 1,946,167	\$ 492,243	\$ 240,910	\$ 2,679,320
Contracted professionals	234,549	-	-	-	-	-	234,549	-	-	234,549
Benefits	83,437	22,174	100,336	18,767	15,149	39,203	279,066	38,829	22,951	340,846
Taxes	62,361	9,785	33,072	8,958	5,349	24,629	144,154	32,619	17,299	194,072
Total salaries and related expenses	1,223,343	161,246	586,203	146,575	92,508	394,061	2,603,936	563,691	281,160	3,448,787
Assistance to individuals	-	-	126,271	-	113,634	434,188	674,093	-	-	674,093
Bad debt	-	-	-	-	-	458	458	-	-	458
Depreciation	52,556	9,201	67,984	4,691	1,138	13,684	149,254	15,180	10,290	174,724
Dues and subscriptions	8,180	1,287	6,601	1,837	753	3,791	22,449	2,995	2,770	28,214
Insurance	7,941	1,214	9,912	1,788	733	3,007	24,595	2,914	1,450	28,959
Marketing and advertising	2,896	703	3,718	1,914	278	4,631	14,140	1,157	28,610	43,907
Meetings and meals	2,553	381	2,070	731	230	1,161	7,126	915	8,470	16,511
Occupancy	85,295	13,691	119,864	6,980	1,693	20,410	247,933	22,587	20,426	290,946
Office expense	35,177	7,296	22,895	5,418	2,675	18,395	91,856	5,308	28,698	125,862
Program supplies	9,362	-	34,368	23,912	200	637	68,479	-	-	68,479
Professional fees	27,654	2,019	11,109	5,906	1,196	7,979	55,863	4,761	34,330	94,954
Recruiting expense	2,649	427	4,004	586	218	832	8,716	806	2,070	11,592
Special event expenses	-	-	-	-	-	-	-	-	101,736	101,736
Staff development	5,695	644	4,728	990	565	2,176	14,798	1,428	1,197	17,423
Travel - local	900	1,150	205	5,650	17	8,398	16,320	66	102	16,488
Vehicle expense	-	-	25,243	-	-	-	25,243	7,610	-	32,853
Volunteers	-	-	4,175	-	-	59	4,234	25	-	4,259
Total expenses by function	1,464,201	199,259	1,029,350	206,978	215,838	913,867	4,029,493	629,443	521,309	5,180,245
Less expenses included with revenues on the statement of activities										
Special event expense	-	-	-	-	-	-	-	-	(101,736)	(101,736)
Total expenses included on the statement of activities	\$ 1,464,201	\$ 199,259	\$ 1,029,350	\$ 206,978	\$ 215,838	\$ 913,867	\$ 4,029,493	\$ 629,443	\$ 419,573	\$ 5,078,509

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

JEWISH FAMILY SERVICES OF ST. LOUIS

Notes to Financial Statements

Year Ended December 31, 2020

(See Independent Auditor's Report)

Note A - Nature of Operations

Nature of Activities

Jewish Family Services of St. Louis (JFS) is a nonprofit organization that supports families and seniors, alleviates hunger, and improves mental health for all St. Louisans. Revenue and support are derived primarily from government agencies, federated funds and public contributions

Harvey Kornblum Jewish Food Pantry (HKJFP):

- The Harvey Kornblum Jewish Food Pantry is the largest food pantry in the region, serving more than 15,000 people annually from 72 different zip codes throughout St. Louis City and St. Louis County. Using the Client Choice model, where clients shop for themselves and select the foods that support their family's unique nutritional needs or dietary restrictions, a staff of 12 and a volunteer workforce of more than 200 people ensure its smooth operations. Community members who visit the food pantry are often experiencing hardships in addition to hunger including unemployment or underemployment, lack of access to health care, and housing insecurity. The pantry's staff and volunteers connect visitors and their families to the services they need through a JFS program or to an external partner in the community.
- In 2020, the number of pantry visitors increased to 21,500 as the economic repercussions of the COVID-19 pandemic affected so many in our community. In response, JFS adjusted operations to meet local and regional health guidelines to keep clients, volunteers, and staff safe. JFS shifted to a drive-through food distribution model that follows guidelines for physical distancing and streamlines food distribution, making our process more efficient and allowing us to serve more people.
- The Harvey Kornblum Jewish Food Pantry (HKJFP) relies on a volunteer workforce to run the pantry. In 2019, HKJFP volunteers provided more than 21,000 hours of service, which equals 13 full-time employees. Due to the COVID-19 pandemic and within two weeks of the issuance of the Missouri stay-at-home mandate in April 2020, all but 14 of the more than 175 HKJFP volunteers stayed safely at home. Due to physical distancing requirements, the HKJFP limited the number of volunteers at the pantry at any one time. In 2020, 9,800 volunteer service hours equaled nearly five full-time volunteers.
- The conversion to a drive-through food distribution system alleviated some of the pressure of a reduced workforce. Great effort was made by JFS' volunteer coordinator to assess the safety and viability of recruiting and training a new volunteer workforce. Within three months, the volunteer coordinator had recruited and trained a total of 285 new volunteers, and 42 prior volunteers had returned. Additionally, the Missouri National Guard was deployed to assist with food distribution due to the increased number of visitors at the pantry.

JEWISH FAMILY SERVICES OF ST. LOUIS

Notes to Financial Statements - Continued

Year Ended December 31, 2020

(See Independent Auditor's Report)

Note A - Nature of Operations (Continued)

Nature of Activities (Continued)

Child Abuse Prevention Program ("CAPP"):

- JFS' team of trained specialists work with 150 schools throughout the St. Louis area to annually teach more than 35,000 children, teachers, and parents about body safety, the warning signs of abuse, and safe internet use. Though the ultimate goal of the program is prevention, the presentations also teach children who have seen or experienced abuse the importance of reporting the incident to a trusted adult. These disclosures open the door to intervention and healing for the affected children and their families.
- In response to COVID-related school closures and subsequent adaptations, CAPP specialists revised their presentations to a virtual format. Schools are receiving CAPP presentations through the variety of remote learning platforms being used by different schools. It was critical to reconnect with children through our CAPP presentations in fall 2020, as those who were in danger at home had been isolated from their "trusted adults" at school and in the community for many months.

Financial Assistance Program:

- JFS Financial Assistance helps financially distressed individuals and families acquire immediate funds, advocacy, and support to help them through times of crisis and move toward self-sufficiency. These funds provide the stability needed to establish a long-term plan for achieving financial independence. Requests for assistance with rent, mortgage and utility bill payments increased by 30% in 2020 in response to the COVID-19 pandemic and the needs of community.

Clinical Services:

- Clinical Services include counseling, child and adolescent psychiatry, and diagnostic evaluation for children and adolescents, all of which work hand-in-hand to provide for the behavioral and mental health needs of the community.
- The school-based team provides customized services and counseling to students on-site in schools across St. Louis County to help them improve their behavioral and mental health, and academic performance.
- In 2020, JFS provided in-person counseling to students in schools that were open/on-site, and virtual counseling to students in schools that were learning remotely. Flexibility in our service model was critical to providing support to children who were struggling to adjust to prolonged separation from their school communities, to navigate family stresses at home, to adapt to uncomfortable health requirements, to re-acclimate to previous routines, and more.
- In 2020, JFS added Resilience and Coping Skills Development for first through eighth grade students. This group intervention is designed to help students of all ages identify thoughts, feelings, and coping strategies to address issues that may arise following a traumatic event or challenging experience. This intervention also helps students adapt to developmental challenges and even to typical stresses of daily life.

JEWISH FAMILY SERVICES OF ST. LOUIS

Notes to Financial Statements - Continued

Year Ended December 31, 2020

(See Independent Auditor's Report)

Note A - Nature of Operations (Continued)

Nature of Activities (Continued)

Older Adult Services:

- For decades JFS has provided services and referrals that help adults ages 60 and older age-in-place, support caregivers and improve quality of life. JFS case managers ensure that clients have the tools and resources needed to live safely at home and enrich quality of living as they navigate new stages of life. During this time of medical risk and prolonged isolation, JFS services and client relationships are as important as ever.
- ElderLink St. Louis is a coordinated intake and referral service for older adults, their children, and their caregivers that offers specialized information on resources of interest to older adults. The referral line is staffed by a licensed clinical social worker, who takes the time to listen to each caller's unique needs and offer customized information and referral on the issues affecting them or their loved ones. All clients are offered a comprehensive assessment.
- JFS case managers collaborate with clients and caregivers to develop and manage an individualized care plan that facilitates and supports continued independence and safety in their desired living environment. We provide resources and program referrals, subsidized in-home support services, falls and hospital re-admission prevention, and counseling and chaplaincy visits as needed or requested.
- JFS supports independent living through a network of referral partners that offer transportation to medical appointments, food delivery, utility assistance, minor home repairs, home health care, housing information, support to apply for government and veterans benefits and Medicaid, socialization opportunities, and more.
- In response to the COVID-19 pandemic, home assessments, case management and chaplaincy "visits" are being carefully and caringly conducted through Zoom for Healthcare or by telephone. All community presentations have been canceled. JFS will continue to follow recommended public health and safety practices to determine when to return to home visits.

Care Management Services:

- The Care Connect staff provide support, information, referrals, guidance and advocacy. JFS assists all community members, including those with a physical or developmental disability or a persistent mental health condition, to access a range of services including food, government benefits, socialization, housing, financial assistance, counseling, long-term legal and care planning, and more. JFS staff also make referrals, when necessary, to other community organizations.

JEWISH FAMILY SERVICES OF ST. LOUIS

Notes to Financial Statements - Continued

Year Ended December 31, 2020

(See Independent Auditor's Report)

Note B - Summary of Significant Accounting Policies

The following summary of significant accounting policies of JFS is presented to assist in the understanding of JFS' financial statements. The financial statements and notes are representations of JFS' management, who are responsible for their integrity and objectivity.

Basis of Accounting and Presentation

The financial statements have been prepared using the accrual basis of accounting. JFS is required to report information regarding its financial position and activities according to two classes of net assets as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. Designated amounts represent those resources that the Board has set aside for a particular purpose.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor)-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be satisfied by actions of JFS or the passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity by JFS.

Revenue Recognition

Fees for professional services and special events ticket sales are recognized when the satisfaction of the contractual performance obligation is met. The performance obligation is met upon completion of the service or at the time of the event. Fees for professional services received in advance are deferred to the applicable period in which the related services are performed. Fees for professional services rendered represents the estimated realizable amounts from patients and others for services rendered.

All contributions are considered to be available for use, unless specifically restricted by the donor. JFS' policy is to record contributions received with donor restrictions as contributions received without donor restrictions if the restriction is met within the same reporting period.

Unconditional promises to give, cash and other assets are accrued at their estimated fair value at the date each promise is received. Gifts are reported as support with donor restrictions if they are received with a donor's stipulation that limits the use of the donated assets. When a donor's restriction is satisfied, net assets with donor restrictions are released and reported as an increase in net assets without donor restrictions.

Promises to give, cash and other asset are considered conditional when a measurable barrier and right of return or release exists. The promises to give become unconditional and are recognized as revenue when the barriers upon which they depend are overcome. When the satisfaction of a barrier is accomplished in the same period that the contribution is made, conditional contributions are recorded as unconditional.

JEWISH FAMILY SERVICES OF ST. LOUIS

Notes to Financial Statements - Continued

Year Ended December 31, 2020

(See Independent Auditor's Report)

Note B - Summary of Significant Accounting Policies (Continued)

Contributed Services and Contributed Goods

Contributed services are recorded as public support only if they create or enhance non-financial assets, require specialized services, or represent an integral part of JFS' programs. Volunteers donated 9,788 and 21,343 hours of time in 2020 and 2019, respectively, to JFS' special events and program services. The value of these contributed services is not reflected in the financial statements since these services do not meet the criteria for recognition.

Contributed goods from and to the surrounding community qualify as agency transactions in accordance with the Not-for-Profit Topic of the FASB ASC 958-605-25, *Revenue Recognition*. JFS' policy is not to report the receipt or disbursement of these goods in the financial statements.

Cash and Cash Equivalents

JFS considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. These amounts include cash donations and grants that are restricted in terms of their use. JFS maintains its cash deposits at financial institutions. Balances, at all times, are fully federally insured. Management believes no risk of loss existed at December 31, 2020 and 2019.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. JFS provides an allowance for doubtful accounts equal to the estimated uncollectible account balances. JFS' estimate is based on a review of the current status of accounts receivable. Accounts receivable are presented net of an allowance for doubtful accounts of \$2,000 for each of the years ended December 31, 2020 and 2019.

Promises to Give

JFS recognizes contributions as support when they are received or unconditionally pledged. Amounts pledged are presented as unconditional promises to give and are stated at the net present value of the amount expected to be collected from outstanding balances. JFS provides for an estimated uncollectible amount based on historical experience and industry trends. Management determines that no allowance for doubtful accounts was considered necessary for each of the years ended December 31, 2020 and 2019. Unconditional promises to give that are expected to be collected in future years are initially recorded at the fair value of their estimated future cash flows as of the date of the promise to give through the use of a present value discount technique.

Investments

Investments are stated at fair value. Investment income is recognized when earned. JFS reports investment return as increases or decreases in net assets without donor restrictions, unless the income is donor restricted. Investment income and gains, restricted by the donor, are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the investment income or gains are recognized.

JEWISH FAMILY SERVICES OF ST. LOUIS

Notes to Financial Statements - Continued

Year Ended December 31, 2020

(See Independent Auditor's Report)

Note B - Summary of Significant Accounting Policies (Continued)

Fair Value Measurements

Financial assets and liabilities have been disclosed at their respective fair values or measured at the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date on a recurring basis. The financial assets and liabilities are valued using the following fair value hierarchy in order to disclose the measurement of fair value based on three levels of observable or unobservable inputs.

Level 1: Quoted prices (unadjusted) in active markets for identical assets that JFS has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect the assumptions that market participants would use in pricing the asset, based on the best information available in the circumstances.

Following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Investments in Jewish Federation's investment pool are valued at the closing net asset value (NAV) of shares held at year-end.

Beneficial interests in trusts are measured at fair value using significant third-party trust valuations and management's estimate of the value of JFS' share of the investment and are considered Level 3 investments.

JFS has used a "practical expedient" to estimate fair value of its investments. The net asset value (NAV) reported by each investment fund is used as a practical expedient to estimate the fair value of JFS' interest in the fund. This practical expedient would not be used if it is determined to be probable that the fund will sell the investment for an amount different from the reported NAV. There are no unfunded commitments associated with these investments, nor are there any significant restrictions on JFS' ability to sell these investments. Additionally, there are no circumstances under which the investments would not be redeemable.

Management determines the fair value measurement valuation policies and procedures, which are subject to Board assessment and approval. At least annually, management determines if the current valuation techniques used in fair value measurements are still appropriate.

JFS recognizes transfers between levels in the fair value hierarchy at the end of the reporting period. There were no transfers between levels for the years ending December 31, 2020 and 2019.

JEWISH FAMILY SERVICES OF ST. LOUIS

Notes to Financial Statements - Continued

Year Ended December 31, 2020

(See Independent Auditor's Report)

Note B - Summary of Significant Accounting Policies (Continued)

Property and Equipment

Purchased property and equipment is recorded at cost. Donated equipment is recorded at the fair value at the date of the donation. Additions and replacements of \$2,500 or more are capitalized in the period placed in service. Maintenance and repairs, which do not improve or extend the lives of the respective assets, are charged against earnings. Depreciation is computed on a straight-line basis over the estimated useful lives of the respective assets.

Impairment of Long-Lived Assets

JFS evaluates whether events and circumstances have occurred that indicate the remaining estimated useful life of long-lived assets may warrant revision or that the remaining balance of an asset may not be recoverable. The measurement of possible impairment is based on the ability to recover the balance of assets from expected future operating cash flows on an undiscounted basis. In the opinion of management, no such impairment existed for the years ended December 31, 2020 and 2019.

Paycheck Protection Program Loan and Forgiveness of PPP Loan

During 2020, JFS applied and was awarded a loan in the amount of \$555,000 under the Paycheck Protection Program ("PPP"). JFS has elected to account for the loan using the debt-model under FASB ASC 470. The debt-model requires initial recording of the proceeds received as financing activities and the loan as a liability until JFS is legally released from the obligation to repay the loan. As of December 31, 2020, JFS was released from all requirements to pay back the loan and has recorded the forgiveness of PPP loan on the statement of activities.

Functional Allocation of Expenses

JFS allocates its expenses on a functional basis among its program and supporting services. Expenses that can be identified with a specific program and supporting service are allocated directly according to their natural expenditure classifications. Certain categories of expenses are attributed to more than one program or supporting function; therefore, expenses require allocation on a reasonable basis that is consistently applied.

The expenses that are allocated on a square footage basis include occupancy and depreciation. Salaries and wages, benefits, and payroll taxes are allocated on the basis of estimates of time and effort. Other expenses allocated based on the full-time employee headcount include dues & subscriptions, insurance, marketing and advertising, meetings and meals, office expenses, professional fees, staff development, and travel expenses.

Concentration of Risk

JFS' investments are held by the Jewish Federation of St. Louis. Its investments are pooled with other investments controlled by the Jewish Federation and, therefore, are susceptible to any losses incurred by the total assets pooled by the Jewish Federation.

JEWISH FAMILY SERVICES OF ST. LOUIS

Notes to Financial Statements - Continued

Year Ended December 31, 2020

(See Independent Auditor's Report)

Note B - Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

JFS constitutes a qualified not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code and is, therefore, exempt from federal income taxes.

JFS has evaluated its tax positions, expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings, and believes that no provisions for income taxes is necessary at this time to cover any uncertain tax positions.

Reclassifications

Certain amounts on the 2019 financial statements have been reclassified, where appropriate, to conform to the financial statement presentation used in 2020. Changes in net assets are unchanged due to these reclassifications.

Subsequent Events

JFS has evaluated all subsequent events through April 20, 2021, the date the financial statements were available to be issued.

Note C - Investments

In accordance with ASU 2015-07, certain collective trust investments and pooled separate account investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. See below regarding investments measured at fair value using net asset value per share.

	2020			
	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Pooled investments	<u>\$ 9,931,417</u>	<u>\$ -</u>	<u>Not Available</u>	<u>Not Available</u>
	2019			
	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Pooled investments	<u>\$ 7,559,097</u>	<u>\$ -</u>	<u>Not Available</u>	<u>Not Available</u>

JEWISH FAMILY SERVICES OF ST. LOUIS

Notes to Financial Statements - Continued

Year Ended December 31, 2020

(See Independent Auditor's Report)

Note C - Investments (Continued)

The cost basis of these pooled investments as of December 31, 2020 and 2019, was \$8,139,907 and \$6,913,618, respectively.

The following schedule summarizes investment return and its classification in the statements of activities:

	<u>2020</u>	<u>2019</u>
Interest and dividends	\$ 35,808	\$ 68,204
Net realized and unrealized gains	<u>1,379,458</u>	<u>1,025,632</u>
	<u>1,415,266</u>	1,093,836
Less investment fees	<u>(41,026)</u>	<u>(39,502)</u>
Total investment return	<u>\$ 1,374,240</u>	<u>\$ 1,054,334</u>

Note D - Donor and Board Designated Endowments

JFS' endowments consist of approximately 35 individual funds established for a variety of purposes. Their endowments consist of both donor-restricted funds and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

JFS has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"), adopted into Missouri law in 2009, as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, JFS classifies as net assets with donor restrictions (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of 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 net assets with donor restrictions in perpetuity is classified as net assets with donor restrictions that are temporary in nature until those amounts are appropriated for expenditure by JFS in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, JFS considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (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 JFS, and (7) JFS' investment policies.

JEWISH FAMILY SERVICES OF ST. LOUIS

Notes to Financial Statements - Continued

Year Ended December 31, 2020

(See Independent Auditor's Report)

Note D - Donor and Board Designated Endowments (Continued)

In the absence of donor restrictions, under the terms of JFS' governing documents, the Board of Directors has the ability to distribute so much of the original principal of any trust or separate gift, bequest, or fund as the Board of Directors in its sole discretion shall determine. As a result of the ability to distribute the original principal, all contributions not classified as with donor restrictions are classified as net assets without donor restrictions for financial statements purposes.

JFS has investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. The investment policy establishes an achievable return objective through diversification of asset classes. Actual returns in any given year may vary from this amount. To satisfy its long-term rate-of-return objectives, JFS relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). JFS targets a diversified asset allocation that places emphasis on fixed income securities and equity-based investments to achieve its long-term return objectives within prudent risk parameters.

JFS has a policy of appropriating for distribution an approved percentage of its endowment fund's year-end fair value each year. In 2020 and 2019, the Board of Directors approved up to 4-5% of its endowment fund's year-end fair value for distribution. During 2020 and 2019, 0% and 4%, respectively, was distributed each year. In establishing this policy, JFS considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor-restrictions, and the possible effect of inflation. JFS expects the current spending policy to allow its endowment funds to earn a nominal average rate of 6% annually, which is consistent with JFS' objective to maintain the purchasing power of the endowment assets, as well as to provide additional real growth through investment return.

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). JFS has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At December 31, 2019, two endowment funds with original gift values totaling \$219,605 had fair values of \$214,082 and deficiencies of \$5,523. At December 31, 2020, there were no endowment funds that were underwater.

JEWISH FAMILY SERVICES OF ST. LOUIS

Notes to Financial Statements - Continued

Year Ended December 31, 2020

(See Independent Auditor's Report)

Note D - Donor and Board Designated Endowments (Continued)

Endowment net asset composition by type of fund as of December 31:

	2020		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 2,798,164	\$ 2,798,164
Accumulated investment earnings	-	2,510,221	2,510,221
Total	-	5,308,385	5,308,385
Board-designated endowment funds	4,677,024	-	4,677,024
Total funds	\$ 4,677,024	\$ 5,308,385	\$ 9,985,409
	2019		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 2,791,109	\$ 2,791,109
Accumulated investment earnings	-	1,941,436	1,941,436
Total	-	4,732,545	4,732,545
Board-designated endowment funds	3,183,703	-	3,183,703
Total funds	\$ 3,183,703	\$ 4,732,545	\$ 7,916,248

Changes in endowment net assets as of December 31:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets,			
December 31, 2018	\$ 2,831,978	\$ 4,335,130	\$ 7,167,108
Contributions	600	8,807	9,407
Interest and dividends	27,827	24,341	52,168
Net realized and unrealized gains	550,501	475,131	1,025,632
Investment fees	(21,175)	(18,327)	(39,502)
Amounts appropriated for expenditure	(206,028)	(92,537)	(298,565)
Endowment net assets,			
December 31, 2019	\$ 3,183,703	\$ 4,732,545	\$ 7,916,248

JEWISH FAMILY SERVICES OF ST. LOUIS

Notes to Financial Statements - Continued

Year Ended December 31, 2020

(See Independent Auditor's Report)

Note D - Donor and Board Designated Endowments (Continued)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, December 31, 2019	\$ 3,183,703	\$ 4,732,545	\$ 7,916,248
Contributions	693,934	7,055	700,989
Interest and dividends	17,478	14,338	31,816
Net realized and unrealized gains	804,520	574,938	1,379,458
Investment fees	(22,611)	(18,415)	(41,026)
Amounts appropriated for expenditure	-	(2,076)	(2,076)
Endowment net assets, December 31, 2020	<u>\$ 4,677,024</u>	<u>\$ 5,308,385</u>	<u>\$ 9,985,409</u>

Note E - Property and Equipment

Property and equipment consist of the following:

	<u>2020</u>	<u>2019</u>
Land	\$ 613,657	\$ 613,657
Buildings and improvements	3,900,897	3,836,872
Furniture and fixtures	1,113,018	900,776
	5,627,572	5,351,305
Less accumulated depreciation	(2,206,400)	(2,023,896)
Net book value	<u>\$ 3,421,172</u>	<u>\$ 3,327,409</u>

JEWISH FAMILY SERVICES OF ST. LOUIS

Notes to Financial Statements - Continued

Year Ended December 31, 2020

(See Independent Auditor's Report)

Note F - Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods:

	<u>2020</u>	<u>2019</u>
Subject to the passage of time:		
Promises to give that are not restricted by donors	\$ -	\$ 48,750
United Way allocation	551,841	677,181
Jewish Federation allocation	379,500	392,500
Subject for specified purpose:		
Other program restrictions	798,025	278,926
Endowment earnings for specified purpose	2,510,221	1,941,436
Beneficial interests in perpetual trusts	370	400
Endowments in perpetuity	<u>2,798,164</u>	<u>2,791,109</u>
Total net assets with donor restrictions	<u>\$ 7,038,121</u>	<u>\$ 6,130,302</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended December 31, 2020 and 2019.

Net assets released:		
Satisfaction of program restrictions	\$ 227,701	\$ 101,683
Expiration of time restrictions	<u>1,484,931</u>	<u>1,219,675</u>
	<u>\$ 1,712,632</u>	<u>\$ 1,321,358</u>

Note G - Net Assets Without Donor Restrictions

The Board of Directors, by voluntary resolutions, designated the net assets without donor restrictions as follows:

	<u>2020</u>	<u>2019</u>
Endowment purposes	\$ 4,677,024	\$ 3,183,703
Undesignated	<u>4,879,797</u>	<u>4,117,165</u>
Total net assets without donor restrictions	<u>\$ 9,556,821</u>	<u>\$ 7,300,868</u>

JEWISH FAMILY SERVICES OF ST. LOUIS

Notes to Financial Statements - Continued

Year Ended December 31, 2020

(See Independent Auditor's Report)

Note H - Unconditional Promises to Give

Unconditional promises to give consist of the following:

	<u>2020</u>	<u>2019</u>
Unconditional promises to give	\$ 1,021,245	\$ 1,118,461
Less discount	<u>57,083</u>	<u>55,795</u>
	<u>\$ 964,162</u>	<u>\$ 1,062,666</u>

Unconditional promises to give are discounted using the bank's prime rate. The applicable rates were 3.25% and 5.25% for the years ended December 31, 2020 and 2019, respectively. All unconditional promises to give are expected to be collected within one year of December 31, 2020.

Note I - Retirement Plan

JFS' defined contribution profit-sharing Plan covers all eligible employees. Contributions are discretionary and determined annually by the Board of Directors. Contributions to the Plan totaled \$63,525 and \$72,947 in 2020 and 2019, respectively.

Note J - Concentrations

For the years ended December 31, 2020 and 2019, JFS received support of approximately 25% from two sources and 48% from three sources, respectively.

Note K - Line-of-Credit

During 2020, JFS renewed their line-of-credit with Busey Bank in the amount of \$600,000, maturing on September 6, 2022. Amounts borrowed under this agreement bear interest at the bank's prime rate, resulting in the rate of 3.25% and 5% as of December 31, 2020 and 2019, respectively. The line is collateralized by the building located at 10950 Schuetz Road. No borrowings occurred during 2020 or 2019, and none have occurred through the date of the independent auditor's report.

JEWISH FAMILY SERVICES OF ST. LOUIS

Notes to Financial Statements - Continued

Year Ended December 31, 2020

(See Independent Auditor's Report)

Note L - Conditional Promises to Give

JFS has received multi-year conditional promises to give with a remaining balance as of December 31, 2020 and 2019, as follows:

	<u>2020</u>	<u>2019</u>
Promise conditioned on the performance of the fall prevention program and approval of expenditures	\$ 47,072	\$ 24,654
Promise conditioned on the completion of the strategic plan	35,000	-
Promise conditioned on the performance of the homemaker program and approval of expenditures	<u>42,500</u>	<u>50,000</u>
Total	<u>\$ 124,572</u>	<u>\$ 74,654</u>

The commitments above are part of a multi-year promise, with the first disbursement being made up-front and the second disbursement after conditions have been met. Payments received and revenue recorded totaled \$123,961 as of December 31, 2020, for the 2019 and 2020 conditional promises to give.

In addition, JFS receives funding on a unit-based reimbursement basis under an agreement, which require the fulfillment of certain conditions and performance of services. Failure to fulfill the conditions could result in the return of the funds or no release of the funds.

No amounts have been reflected in these financial statements for the conditional promises to give until conditions are satisfied.

Note M - Capital Lease Liability

In 2019, JFS entered into a capital lease agreement for telephone equipment with a third party. The agreement matures after 72 months. The value of the leased asset at inception was \$42,349. The implicit interest rate on the lease is 9.43%. The asset and liability under the capital lease are recorded at the fair value of the asset. The asset is amortized over its estimated useful life.

Future minimum payments required under this lease are as follows:

<u>Years Ending December 31,</u>	<u>Amount</u>
2021	\$ 9,269
2022	9,269
2023	9,269
2024	9,269
2025	<u>9,269</u>
	46,345
Less amount representing interest	<u>(11,642)</u>
Present value of future minimum lease payments	<u>\$ 34,703</u>

JEWISH FAMILY SERVICES OF ST. LOUIS

Notes to Financial Statements - Continued

Year Ended December 31, 2020

(See Independent Auditor's Report)

Note N - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 2,206,762	\$ 1,591,497
Accounts receivable	395,503	256,250
Promises to give	964,162	1,062,666
Board-designated distributions and appropriations	236,565	194,005
Endowment spending-rate distributions and appropriations	77,337	102,634
Less donor restrictions due to purpose	(798,025)	(278,926)
Less endowments included in cash and cash equivalents	(53,992)	(404,748)
	<u>\$ 3,028,312</u>	<u>\$ 2,523,378</u>

In addition to the above resources, JFS also holds a \$600,000 line-of-credit with a maturity date of September 6, 2022. No draws were made on the line of credit in 2019 and the full \$600,000 is available for usage as of December 31, 2020 and 2019. See Note K for more information on the line-of-credit.

JFS has a board-designated investment fund with an annual spending rate of 4-5% as described in Note D. Although JFS does not intend to exceed the spending policy rate, these amounts could be made available, if necessary.

Note O - Revenue

Homemaker and other program services fees, included in fees for professional services rendered on the statement of activities, are billed for services performed in the previous month, in accordance with agreed-upon contractual terms, either at periodic intervals (e.g., weekly or monthly) or upon achievement of contractual milestones. JFS recognizes revenue for these arrangements evenly over time. Due to the nature of JFS, the fees charged to clients vary based on eligibility requirements. These adjustments can result in a reduction of the transaction price which reduces revenue. There are no significant financing components recognized by JFS.

Amounts invoiced and collected in excess of revenues recognized are contract liabilities, which are presented as deferred revenues in the statements of financial position. As of December 31, 2020 and 2019, there are no amounts invoiced and collected in excess of revenue that would be considered deferred revenue.

JEWISH FAMILY SERVICES OF ST. LOUIS

Notes to Financial Statements - Continued

Year Ended December 31, 2020

(See Independent Auditor's Report)

Note O - Revenue (Continued)

Disaggregation of Revenue

The following tables presents revenue disaggregated by revenue source and pattern of revenue recognition:

	Years Ended	
	December 31, 2020	December 31, 2019
	Over Time	
Homemaker program fees	\$ 201,076	\$ 275,142
Other program service fees	135,310	121,557
	Point in Time	
Special events ticket sales	\$ -	\$ 35,860
Other income	106,481	27,954
	Year Ended	
	December 31, 2019	
Special events ticket sales	\$ 35,860	
Special events contributions	312,933	
Special events expenses	<u>(101,736)</u>	
Special events revenue, net as presented on statement of activities	<u>\$ 247,057</u>	

In response to the COVID-19 pandemic to ensure that social distancing restrictions were followed, JFS did not host any special events in 2020.

Note P - Risk and Uncertainties

JFS' financial performance, estimates, reserves, contracts, and operations in the next 12 months may be affected by the ongoing outbreak of the coronavirus disease ("COVID-19"), which was declared a pandemic by the World Health Organization. The full extent and duration of the impact of COVID-19 on JFS' operations and financial performance is currently unknown and depends on uncertain and unpredictable developments.

During the 2020 COVID-19 pandemic, the JFS' Board of Directors convened an Emergency Task Force. All major funders and funding sources were contacted to ensure that there was no impact to the 2020 funding. The Treasurer, CFO and CEO are reviewing three-year budget projection and will review with the Finance Committee to discuss future year financial planning in light of economic effects of world-wide COVID-19 pandemic.

Supplemental Information



THE FIRM FOR GROWTH.®

**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 Services of St. Louis
St. Louis, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Jewish Family Services of St. Louis ("JFS"), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 20, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Jewish Family Services of St. Louis' 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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of JFS' internal control. Accordingly, we do not express an opinion on the effectiveness of JFS' 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 JFS' 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 Jewish Family Services of St. Louis's 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 JFS' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the JFS' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Brown Smith Wallace, LLP

St. Louis, Missouri
April 20, 2021



THE FIRM FOR GROWTH.®

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

Board of Directors
Jewish Family Services of St. Louis
St. Louis, Missouri

Report on Compliance for Each Major Federal Program

We have audited Jewish Family Services of St. Louis' ("JFS") compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on JFS' major federal program for the year ended December 31, 2020. Jewish Family Services of St. Louis's major federal program is 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 statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for JFS' major federal program 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; 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 Jewish Family Services of St. Louis'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 the major federal program. However, our audit does not provide a legal determination of JFS' compliance.

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

Management of Jewish Family Services of St. Louis 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 Jewish Family Services of St. Louis' internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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 Jewish Family Services of St. Louis' 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 over 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. We did not identify any deficiencies in internal control over compliance that we considered 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Brown Smith Wallace, LLP

St. Louis, Missouri

April 20, 2021

JEWISH FAMILY SERVICES OF ST. LOUIS

Schedule of Expenditures of Federal Awards

Year ended December 31, 2020

(See Independent Auditor's Report)

Federal Grantor/Pass-through Grantor/ Program Titles	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
Food Distribution Cluster:			
United States Department of Agriculture			
Pass - through programs from:			
St. Louis Area Food Bank		5147	
Commodity Supplemental Food Program	10.565		\$ 214,200
Emergency Food Assistance Program	10.569		1,731,901
Total Food Distribution Cluster			<u>1,946,101</u>
Department of Homeland Security			
Pass - through program from:			
St. Louis County		547600-011	
Emergency Food and Shelter National Board Program	97.024		<u>35,619</u>
Total Department of Homeland Security			<u>35,619</u>
Department of the Treasury			
Pass - through program from:			
Missouri Department of Economic Development COVID-19: Nonprofit Relief and Recovery Grant	21.019		<u>90,953</u>
Total Department of the Treasury			<u>90,953</u>
Total Expenditures of Federal Awards			<u><u>\$ 2,072,673</u></u>

JEWISH FAMILY SERVICES OF ST. LOUIS

Notes to Schedule of Expenditures of Federal Awards

Year Ended December 31, 2020

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Jewish Family Services of St. Louis under federal programs of the government for the year ended December 31, 2020. 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 B - Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported following the accrual basis of accounting. Federal awards primarily consist of food commodities provided to Jewish Family Services of St. Louis, with the value of these commodities reported on the schedule being determined by the pass-through entity providing the commodities to Jewish Family Services of St. Louis. No amounts have been reflected in Jewish Family Services of St. Louis financial statements for the value of these commodities at December 31, 2020.

Note C - Indirect Cost Rate

Jewish Family Services of St. Louis is the recipient of both monetary and commodity assistance. When appropriate, Jewish Family Services of St. Louis has elected to use a 10% indirect cost rate allocation.

JEWISH FAMILY SERVICES OF ST. LOUIS

Schedule of Findings and Questioned Costs

Year Ended December 31, 2020

Summary of Auditor's Results

1. Financial Statements:

- a. Type of auditor's report issued on financial statements: Unmodified
- b. Internal control over financial reporting:
 - i. Material weakness identified? None noted
 - ii. Significant deficiency identified? None noted
- c. Noncompliance material to financial statements noted? None noted

2. Federal Awards:

- a. Internal control over major programs:
 - i. Material weakness identified? None noted
 - ii. Significant deficiency identified? None noted
- b. Noncompliance material to financial statements noted? None noted
- c. The auditor's report on compliance for the major federal award program expresses an unmodified opinion on all major federal programs.
- d. There were no audit findings relative to the major federal award program for Jewish Family Services of St. Louis noted that are required to be reported in accordance with 2 CFR section 200.516(a).
- e. The programs tested as major program include:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
	Food Distribution Cluster:
10.565	Commodity Supplemental Food Program
10.569	The Emergency Food Assistance Program (Food Commodities)

- f. The threshold used for distinguishing between Type A and B programs was \$750,000.
- g. Jewish Family Services of St. Louis is a low risk auditee for 2020.

JEWISH FAMILY SERVICES OF ST. LOUIS

Schedule of Findings and Questioned Costs

Year Ended December 31, 2020

Financial Statements

None.

Major Federal Awards Program

None.