JEWISH FAMILY SERVICE AGENCY

FINANCIAL STATEMENTS

DECEMBER 31, 2021

ELLSWORTH • STOUT

CPAs and Consultants

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FINANCIAL STATEMENTS
DECEMBER 31, 2021

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Independent Auditor's Report

To the Board of Directors of
Jewish Family Service Agency,

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Jewish Family Service Agency (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jewish Family Service Agency (the "Agency") as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was 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* 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 schedule of expenditures of federal awards 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 June 7, 2022 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Ellsworth & Stout, LLC

Las Vegas, Nevada
June 7, 2022

JEWISH FAMILY SERVICE AGENCY
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021

ASSETS		
Current Assets:		
Cash and cash equivalents	$	4,395,845
Investments		232,635
Accounts receivable		43,635
Grants receivable		369,428
Pledges receivable		2,344
Inventory		74,668
Prepaid and other current assets		118,754
Total current assets		5,237,309
Property and Equipment, net		136,530
Other Assets:		
Cash, restricted		23,400
Total Assets	$	5,397,239
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	$	248,955
Accrued expenses		98,268
Grant advance		2,394,521
Total current liabilities		2,741,744
Net Assets:		
Without donor restrictions		2,407,782
With donor restrictions		247,713
Total net assets		2,655,495
Total Liabilities and Net Assets	$	5,397,239

See accompanying notes to the financial statements.

JEWISH FAMILY SERVICE AGENCY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

Net Assets without Donor Restrictions	
Revenue and other support:	
Grant income	$ 3,554,173
Contributions	1,645,312
Program revenue	271,751
Net patient insurance revenue	37,646
Special events	7,563
In-kind donations	784,402
Investment income	8,765
Net assets released from restrictions	25,047
	6,334,659
Expenses:	
Program services	4,430,070
Supporting services:	
Management and general	411,168
Fundraising	169,217
	5,010,455
Other income:	
Gain on extinguishment of debt	60,000
Net realized and unrealized gain on investments	31,123
Miscellaneous income	2,295
	93,418
Increase in net assets without donor restrictions	1,417,622
Net Assets with Donor Restrictions	
Contributions	150,616
Net assets released from donor restrictions	(25,047)
Increase in net assets with donor restrictions	125,569
Increase in Net Assets	1,543,191
Net Assets, Beginning of Year	1,112,304
Net Assets, End of Year	$ 2,655,495

See accompanying notes to the financial statements.

JEWISH FAMILY SERVICE AGENCY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Program Services	Management and General	Fundraising	Total
Advertising	$ 5,004	$ 342	$ 29,954	$ 35,300
Computer expenses	43,375	4,269	1,536	49,180
Depreciation	21,076	2,105	745	23,926
Dues and subscriptions	2,928	292	103	3,323
Education and training	7,248	18	6	7,272
Fundraising	-	-	101,099	101,099
Insurance, other	9,341	3,956	327	13,624
Merchant fees	8,700	869	4,319	13,888
Mileage reimbursement	11,354	249	381	11,984
Miscellaneous	1,539	439	65	2,043
Office expense	53,972	5,390	1,908	61,270
Personnel related expenses	1,313,378	148,917	21,690	1,483,985
Printing and postage	9,707	353	3,953	14,013
Professional services	81,211	237,744	227	319,182
Program expenses	2,730,723	-	-	2,730,723
Rent expense	108,963	4,073	2,142	115,178
Utilities	21,551	2,152	762	24,465
	$ 4,430,070	$ 411,168	$ 169,217	$ 5,010,455

See accompanying notes to the financial statements.

JEWISH FAMILY SERVICE AGENCY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

Cash Flows from Operating Activities		
Increase in net assets	$	1,543,191
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation		23,926
Gain on extinguishment of debt		(60,000)
Net realized and unrealized gain on investments		(31,123)
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable		(31,577)
(Increase) decrease in grants receivable		(56,497)
(Increase) decrease in pledges receivable		22,904
(Increase) decrease in inventory		(27,393)
(Increase) decrease in prepaid and other current asset		(90,471)
Increase (decrease) in accounts payable		69,725
Increase (decrease) in accrued expenses		4,313
Increase (decrease) in grant advances		2,282,420
Net cash provided by operating activities		3,649,418
Cash Flows from Investing Activities		
Purchase of property and equipment		(41,317)
Proceeds from sale of investments		3,368
Net cash used in investing activities		(37,949)
Net Increase in Cash and Cash Equivalents		3,611,469
Cash and Cash Equivalents, Beginning of Year		807,776
Cash and Cash Equivalents, End of Year	$	4,419,245
Cash and Cash Equivalents, without donor restrictions	$	4,395,845
Cash and Cash Equivalents, Restricted		23,400
	$	4,419,245

See accompanying notes to the financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Jewish Family Service Agency (the "Agency") is presented to assist in understanding the Agency's financial statements. The financial statements and notes are representations of the Agency's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Nature of the Agency

The Agency's mission is to be the place for people of all backgrounds to go in times of need. The Agency provides solutions to improve the conditions in which people are born, grow, live, work and age.

Inspired by the Jewish principle of "Repairing the World One Life at a Time" (Tikkun Olam), the Agency was founded in 1977 to provide comprehensive social support to people in need, including professional social services to families and individuals in times of need. Services are offered to individuals of all religions, races, ages, disabilities, sexual orientations, and national origins.

The Agency's programs and services include prevention, intervention, and short-term therapy for individuals and families to enhance their quality of life; emergency assistance including food distribution, emergency financial assistance, help for the homeless; adoption services; services for school aged children and their families; and, assistance for seniors.

Services in the above areas are known in our community as Open Arms Adoption, the Center for Assessment & Education Services, AmeriCorps Seniors, NV Care Connections and Senior Lifeline.

The Agency is a local community organization that is committed to help support, change, and improve the lives of all residents of Clark County. All the support received stays within the local community.

Basis of Presentation

The financial statements of the Agency have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. The Agency presents a classified statement of financial position with additional qualitative information about availability of resources and liquidity in Note 2.

The accompanying financial statements have been presented in accordance with accounting principles generally accepted in the United States of America applicable to not-for-profit organizations, principally Accounting Standard Codification (ASC) 958, *Not-for-Profit Entities*. Under ASC 958 (as amended by Accounting Standards Update (ASU) 2016-14), the Agency is required to report information regarding its financial position and changes in financial position according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. The classification of net assets is based on the existence or absence of donor-imposed restrictions. Net assets are released by donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Agency considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

At various times throughout the year, the Agency maintained deposits in financial institutions which exceeded federally insured amounts. The Agency has not experienced any losses in these accounts

Accounts Receivable

The Agency has three categories of receivables related to program services that are reported net of allowance for doubtful accounts, as needed. Receivables related to counseling revenue relate to counseling services provided on a sliding fee scale; the Agency receives payment from individuals and insurance companies and recognizes receivables on the amount expected to be collected. Receivables related to adoption revenue relate to adoption services provided on a sliding fee scale; the Agency analyzes each adoption receivable using specific identification to assess any allowance required. Receivables related to education services revenue relate to services provided based on a non-sliding fee schedule; the Agency analyzes each education service receivable using specific identification to assess any allowance required. The Agency charges off uncollected accounts receivables when management determines receivables will not be collected. As of December 31, 2021, there is no estimated allowance for doubtful accounts and all receivables are deemed collectible in one year. As of December 31, 2021, and 2020, accounts receivable included on the statement of financial position relating to program income were $43,635 and $12,058, respectively.

Grants Receivable

Grants receivable represent unreimbursed costs and outstanding grant award balances. It is the Agency's policy to charge off uncollectible receivables when management determines that receivables will not be collected. As of December 31, 2021, no allowances for doubtful grant receivable was deemed necessary.

Pledges Receivable

Certain Nevada businesses and individuals have made pledges in support of the Agency. In accordance with ASC 958, *Not-for-Profit Entities*, the promises to give are recorded at their present value. As of December 31, 2021, no discount on pledges was deemed necessary and all were collected as of the opinion date.

Inventory

Inventories primarily consist of food that is both purchased and donated. Food donations are recorded as in-kind contributions and valued at $1.74 per pound for the first 10 months of the year and $1.79 for the last 2 months, in accordance with Feed America's valuation as of June 30, 2020 and 2021. Additionally, through various funding sources the Agency has an inventory of gift cards which are used in the Emergency Service and Senior Service departments.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

The Agency capitalizes significant expenditures for property and equipment at cost, generally those that exceed \$2,500. Property and equipment that are contributed to the Agency are recorded at the approximate fair value at the date of donation or the date the asset is placed into service. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from five to fifteen years.

Grant Advance

When grant money is received in advance, and not all of the requirements necessary to be eligible for the advance to be recognized as revenue are met, the advance is reported as a liability. Grant advances for the year ended December 31, 2021 was \$2,394,521.

Revenue Recognition

All donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from donor restrictions.

Contributions may be considered conditional or non-conditional. A conditional contribution exists if a) one or more barrier exists and b) the right to receive or retain payment or delivery of the promised asset depends on meeting those barriers. In cases of ambiguous donor stipulations or stipulations that are not clearly unconditional are presumed to be conditional. Conditional contributions are recognized when conditions have been substantially met or waived by the donor. Non-conditional contributions are recognized when received or right to receive is obtained through documentation.

Grant revenue may be considered a contribution, entirely an exchange transaction, or a combination of the two. If a grant is considered a contribution, it is recognized as described in the above paragraph. If a grant is considered an exchange transaction, it falls under the guidance of Topic 606 and additional steps are taken to ensure correct recording of revenue. The performance obligation is satisfied when the services outlined in the grant contract are rendered. As of December 31, 2021, all exchange grant revenue was recognized at a point in time when services are performed.

Revenue from program fees are reported at their estimated realizable amount from patients and third party payors. Net patient insurance revenue is recorded at total dollar amount collected from patients less the contractual adjustments. The performance obligation is satisfied when services are rendered. Revenue is recognized at a point in time when services are performed and payment becomes receivable upon service completion.

Contributed Materials and Services

Generally, donated materials, if significant in amount, are recorded at their fair market value, provided the Agency has a clearly measurable and objective basis for determining the value. In the case of materials where such values cannot reasonably be determined, the donation is not recorded.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributed Materials and Services (Continued)

Contributed services are recognized as contributions in accordance with the FASB Codification if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Agency. Unpaid volunteers have donated their time to the Agency's programs. The value of such services has not been reflected in the accompanying financial statements since the volunteers' time does not meet the criteria for recognition as contributed services. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by amounts included in property and equipment.

The fair values of in-kind contributions are summarized as follows:

Food donations	$ 675,551
Professional services	108,851
	$ 784,402

Professional services consist of recordable monthly accounting services and discounts on computer support all of which are allocated to the management and general class. Unpaid volunteers have donated their time to the Agency's programs. The value of such services has not been reflected in the accompanying financial statements since the volunteers' time does not meet the criteria for recognition as contributed services

Allocation Methodology

The statement of functional expenses presents expenditures by both their nature and their function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. All expenses are allocated using timesheet data that captures actual time and effort, except for the expenses labeled fundraising, interest, and program expense that have direct expenses.

Advertising

The Agency uses advertising to promote its services. Advertising costs are expensed as incurred and total $35,300 as of December 31, 2021.

Income Taxes

In November 1977, the Agency received notification from the Internal Revenue Service that the Agency is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and has been classified as a public charity under Sections 509(a)(1) and 170(b)(1)(A)(vi). Therefore, no provision for income taxes is made in the accompanying financial statements. The Agency is no longer subject to potential income tax examinations by tax authorities for years before 2018.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02 (Topic 842) pertaining to Leases. Due to the pandemic, ASU 2020-05 was issued that gives an extension of implementation of ASU 2016-02 for certain entities that have not yet issued their financial statements reflecting the adoption of Leases by June 2020. Therefore, under the amendment, Leases is effective for non-public entities for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Management has adopted this accounting policy subsequent to year end and will implement with its first new or renewed lease in 2022 as all other leases either expire within one year or have been assessed as service agreements not leases.

NOTE 2 – LIQUIDITY AND AVAILABILITY

The Agency's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

Cash and cash equivalents, net of donor restrictions	$ 1,777,011
Investments	232,635
Accounts receivable	43,635
Grants receivable	369,428
Pledges receivable	2,344
	$ 2,425,053

Contractual or donor imposed restrictions are not available for general expenditure. As part of the Agency's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 3 – FAIR VALUE MEASUREMENTS

The Agency measures certain financial assets and liabilities at fair value on a recurring basis, and certain non-financial assets and liabilities on a nonrecurring basis. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. Fair value disclosures are reflected in a three-level hierarchy, maximizing the use of observable inputs, and minimizing the use of unobservable inputs.

The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability on the measurement date. The three levels are defined as follows:

Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for an identical asset or liability in an active market.

NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

Level 2 – inputs to the valuation methodology include quoted prices for a similar asset or liability in an active market or model-derived valuations in which all significant inputs are observable for substantially the full term of the asset or liability.

Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement of the asset or liability.

Fair values of assets measured as of December 31, 2021 are as follows:

	Total	Level 1	Level 2	Level 3
Recurring fair value measurements:				
Stocks	$ 232,635	$ 232,635	$ -	$ -
	$ 232,635	$ 232,635	$ -	$ -

NOTE 4 – PROPERTY AND EQUIPMENT

As of December 31, 2021, property and equipment consisted of the following:

Building improvement	$ 91,171
Furniture and equipment	128,689
	219,860
Less: accumulated depreciation	(83,330)
	$ 136,530

Depreciation expense for the year ended December 31, 2021 was $23,926.

NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets are released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors. Net assets with donor restrictions are restricted for the following purposes as of December 31, 2021:

Subject to expenditure for specified purpose and/or passage of time:	
Building capital campaign	$ 150,000
Chesed, Indigent Burial	45,726
Holocaust Survivor Group	14,781
David Berkovitz Memorial Fund for Survivors in Need	8,050
Hal Ober Scholarship Fund	4,250
Speigel	868
Pat Risler	488
Tzedakah Emergency Funds	150
	224,313
Not subject to appropriation or expenditure:	
Donor restricted endowment held in perpetuity	23,400
	$ 247,713

As of December 31, 2021, net assets with donor restrictions consisted of cash and cash equivalents of $224,313, classified as current and $23,400 classified as long-term due to the asset being held in perpetuity.

NOTE 6 – RELATED PARTY TRANSACTIONS

In October 2017, the Agency entered into a loan agreement with Jewish Nevada for $60,000. During the year, the loan was forgiven in full. Forgiveness of the loan is included on the statement of activities as a gain on extinguishment of debt.

NOTE 7 – LEASES

In December 2019, the Agency entered into a non-cancellable operating lease for office space at an original rate of $8,563 per month for one year. In December 2021, this lease was extended for eight months per the lease agreement at $8,819 per month. In 2018, the Agency also entered a lease for copiers for $352 per month that is set to expire June 8, 2023. Future minimum lease payments are due as follows for the years ending December 31:

2022	$ 74,779
2023	2,112
	$ 76,891

Total rent expense for the year ended December 31, 2021 was $115,178.

NOTE 8 – ENDOWMENT

The Agency's endowment fund includes only donor-restricted endowment funds. As required by generally accepted accounting principles (GAAP), net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The endowment fund was established for the long-term financial security of the Agency. The Agency is subject to the State Prudent Management of Institutional Funds Act (SPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are restricted by time or by purpose. Currently, the entire endowment has a donor imposed restriction that is perpetual in nature, stipulating that resources be maintained in perpetuity. The endowment includes donor-stipulated perpetual endowment principal of which generated income can be spent to support the Agency's general activities.

Interpretation of Relevant Law - Continued

The Board of Directors of the Agency has interpreted SPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Agency considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument the Agency has interpreted SPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law.

In accordance with SPMIFA, the Agency 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 Agency and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Agency
7. The investment policies of the Agency

Endowment net asset composition by type of fund as of December 31, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	$ -	$ -	$ -
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	23,400	23,400
	$ -	$ 23,400	$ 23,400

NOTE 8 – ENDOWMENT (Continued)

Changes in endowment net assets for the year ended December 31, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ -	$ 23,400	$ 23,400
Investment income	-	-	-
Appropriation of endowment assets for expenditure	-	-	-
Endowment net assets, end of year	$ -	$ 23,400	$ 23,400

Return Objectives and Risk Parameters

The Agency has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Agency must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results while assuming a low level of investment risk. The Agency expects its endowment funds, over time, to provide an average rate of return of approximately 5 percent annually. However, this rate has not been attained, although no losses have been incurred.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Agency relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

Spending Policy and How the Investment Objectives Relate to Spending Policy

In establishing this policy, the Agency considered the long-term expected return on its endowment. Accordingly, over the long-term, the Agency expects the current spending policy to allow its endowment to grow at an average of 5 percent annually. This is consistent with the Agency's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return. Actual returns in any given year may vary from this amount.

NOTE 9 – SIMPLE IRA RETIREMENT PLAN

As of September 1, 2016, the Agency sponsors a Simple IRA retirement plan (the "Plan") covering qualified employees. Employees who receive a salary of at least $5,000 are eligible to participate in the Plan. The Agency matches the employee's contribution up to a maximum of three percent of the eligible employee's compensation. The Agency contributed $17,750 for the year ended December 31, 2021.

NOTE 10 – NET PATIENT INSURANCE REVENUE

The Agency has agreements with third party payers that provide for payments to the Agency at amounts that vary from its established rates. The approximate difference between charges and the related payment amount are shown below for the year ended December 31, 2021:

Gross patient insurance revenue	$ 53,112
Contractual adjustments	(15,466)
Net patient insurance revenue	$ 37,646

NOTE 11 – CONCENTRATIONS

For the year ended December 31, 2021, approximately 24% of the Agency's support was provided by two major grantors. It is always considered reasonably possible that benefactors, grantors, or contributors might be lost in the near term.

NOTE 12 – RISKS AND UNCERTAINTIES

Management is currently responding to the existing effects of the global pandemic and planning for the potential future effects that the pandemic may have on the Agency's operations, including the overall health of the economy and consumer spending. At the current time, management is unable to quantify the potential effects of this pandemic on the Agency's future financial statements.

NOTE 13 – SUBSEQUENT EVENTS

During 2021, the Agency obtained a grant and other support to purchase a building. In January 2022, the purchase of the building closed for a total purchase price of $2,971,242. The building will be used to assist the Agency in furthering the mission of the organization. No additional events were identified that would require additional disclosure.

Management of the Agency has evaluated subsequent events through June 7, 2022, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

Information regarding the Conference on Jewish Material Claims Against Germany, Inc. (the "grantor") for the year ended December 31, 2021, is summarized below:

Fund	Application Number	Award Amt. Received	Award Expenditures	Contract Dates
2021 Calendar Year Grant:				
GG23	27155	$ 1,006,926	$ 1,006,926	01/1/2021-12/31/2021
HSEAP	23417	9,474	9,474	01/1/2021-12/31/2021
Total Claims Conference		$ 1,016,400	$ 1,016,400	

Management believes the Agency has complied with the provisions of the grant agreements and the grant funds were expended exclusively for the purpose for which they were granted. Of the total revenue included above, $151,039 was included in grants receivable at year end for GG23 grant and $8,034 for HSEAP grant.

COMPLIANCE SECTION

ELLSWORTH • STOUT
CPAs and Consultants

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

To the Board of Directors of
Jewish Family Service Agency

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 the Jewish Family Service Agency (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, 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 June 7, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Jewish Family Service Agency's (the "Agency") internal control over financial reporting (internal control) as a basis for designing 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 the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ellsworth & Stout, LLC

Las Vegas, Nevada
June 7, 2022

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors of
Jewish Family Service Agency

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program
We have audited the Jewish Family Service Agency's (a nonprofit organization) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Jewish Family Service Agency's (the "Agency") major federal programs for the year ended December 31, 2021. The Agency's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Agency complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program
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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Agency's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance
Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Agency's federal programs.

Auditor's Responsibilities for the Audit of Compliance
Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Agency's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Agency's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Agency's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Agency's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Agency's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Ellsworth & Stout, LLC

Las Vegas, Nevada
June 7, 2022

JEWISH FAMILY SERVICE AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2021

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH IDENTIFYING NUMBER	PASSED TRHOUGH TO SUB-RECIPIENTS	FEDERAL EXPENDITURES
U.S. Department of Agriculture				
Passed through Three Square:				
Emergency Food Assistance Program (Food Commodities)*	10.569		$ -	$ 201,179
Total Food Distribution Cluster			-	201,179
U.S. Department of Housing and Urban Development				
Passed through the Clark County:				
Community Development Block Grants/Entitlement Grants	14.218	1080.ESGCV.2020	-	134,491
Total CDBG - Entitlement Grants Cluster			-	134,491
Emergency Solutions Grant Program	14.231	1080.CDBGCV.2020	-	127,794
U.S. Department of the Treasury				
Passed through Clark County:				
COVID-19 Coronavirus Relief Fund	21.019		-	7,791
U.S. Department of Health and Human Services				
Passed through the State of Nevada Dept. of HHS				
Aging and Disability Services Division:				
Special Programs for the Aging, Title III, Part B	93.044	03-109-02-LB-21 03-109-02-LB-22	-	125,852
COVID-19 Special Programs for the Aging, Title III, Part B	93.044	03-109-15-BC3X-21	-	44,362
Total Aging Cluster			-	170,214
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048	03-109-15-AC3X-21	-	44,744
National Family Caregiver Support, Title III, Part E	93.052	03-109-15-EB-21 03-109-15-EB-22	-	19,816
Social Services Block Grant	93.667	03-109-02-LB-22	-	20,779
U.S. Corporation for National and Community Service				
Foster Grandparent Program	94.011		-	286,326
Senior Companion Program	94.016		-	158,965
Total Foster Grandparent/Senior Companion Cluster			-	445,291
Senior Demonstration Program	94.017		-	65,912
U.S. Department of Homeland Security				
Passed through Clark County:				
Emergency Food and Shelter National Board Program	97.024		-	192,541
COVID-19 Emergency Food and Shelter National Board Program	97.024	Phase Cares	-	125,831
Total CFDA 97.024			-	318,372
Total Expenditures of Federal Awards			$ -	$ 1,556,383

* The amount of noncash expenditures reported on the schedule above is the value of donated materials and food commodities distributed by Jewish Family Service Agency during the current year and priced as prescribed by the U.S. Department of Agriculture.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Jewish Family Service Agency (the "Agency") under programs of the federal government for the year ended December 31, 2021. 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). Because the Schedule presents only a selected portion of the operations of the Agency, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Agency.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rate

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results:

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified			
Internal control over financial reporting:				
Material weaknesses identified?	____	yes	x	none reported
Significant deficiencies identified?	____	yes	x	none reported
Noncompliance material to financial statements noted?	____	yes	x	no

Federal Awards

Internal control over major federal programs:				
Material weaknesses identified?	____	yes	x	none reported
Significant deficiencies identified?	____	yes	x	none reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified			
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	____	yes	x	no

Identification of major federal programs:

CFDA Number	Name of Federal Program or Cluster:
	Foster Grandparent/Senior Companion Cluster:
94.011	Foster Grandparent Program
94.016	Senior Companion Program

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

Auditee qualified as a low-risk auditee?	x	yes	____	no

Section II – Financial Statement Findings

None reported.

Section III – Federal Award Findings and Questioned Costs

None reported.

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results:

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified			
Internal control over financial reporting:				
Material weaknesses identified?	______	yes	x	none reported
Significant deficiencies identified?	______	yes	x	none reported
Noncompliance material to financial statements noted?	______	yes	x	no

Federal Awards

Internal control over major federal programs:				
Material weaknesses identified?	______	yes	x	none reported
Significant deficiencies identified?	______	yes	x	none reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified			
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	______	yes	x	no

Identification of major federal programs:

CFDA Number	Name of Federal Program or Cluster:
21.019	Coronavirus Relief Fund

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

Auditee qualified as a low-risk auditee?	______	yes	x	no

Section II – Financial Statement Findings

None reported.

Section III – Federal Award Findings and Questioned Costs

None reported.