JEWISH FAMILY SERVICE AGENCY

FINANCIAL STATEMENTS

DECEMBER 31, 2020

ELLSWORTH • STOUT

CPAs and Consultants

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Independent Auditor's Report

To the Board of Directors of
Jewish Family Service Agency,

Report on the Financial Statements
We have audited the accompanying financial statements of Jewish Family Service Agency (a nonprofit agency) 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.

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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 the entity's 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the 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 Service Agency as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Acuity Financial Center
7881 W. Charleston Blvd., Ste. 155 • Las Vegas, NV 89117
p 702•871•2727 f 702•876•0040
lvcpas.com

Other Matters

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 audits 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 basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 27, 2021 on our consideration of Jewish Family Service 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 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 Jewish Family Service Agency's internal control over financial reporting and compliance.

Ellsworth & Stout, LLC

Las Vegas, Nevada
April 27, 2021

JEWISH FAMILY SERVICE AGENCY
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020

ASSETS		
Current Assets:		
Cash and cash equivalents	$	784,376
Investments		204,880
Accounts receivable		12,058
Grants receivable		312,931
Pledges receivable		25,248
Inventory		47,275
Prepaid expense		28,283
Total current assets		1,415,051
Property and Equipment, net		119,139
Other Assets:		
Cash, restricted		23,400
Total Assets	$	1,557,590
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	$	179,230
Accrued expenses		93,955
Grant advance		112,101
Loan from related party		60,000
Total current liabilities		445,286
Net Assets:		
Without donor restrictions		990,160
With donor restrictions		122,144
Total net assets		1,112,304
Total Liabilities and Net Assets	$	1,557,590

See accompanying notes to the financial statements.

JEWISH FAMILY SERVICE AGENCY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

Net Assets without Donor Restrictions	
Revenue and other support:	
Grant income	$ 3,983,704
Program revenue	274,179
Contributions	380,080
Net patient insurance revenue	33,503
Special events	137,446
In-kind donations	637,598
Investment income	8,083
Net assets released from restrictions	450
	5,455,043
Expenses:	
Program services	4,843,571
Supporting services:	
Management and general	325,672
Fundraising	39,713
	5,208,956
Other income:	
Gain on extinguishment of debt	125,000
Net realized and unrealized gain on investment	11,491
Miscellaneous income	2,340
	138,831
Increase in net assets without donor restrictions	384,918
Net Assets with Donor Restrictions	
Contributions	24,799
Net assets released from donor restrictions	(450)
Increase in net assets with donor restrictions	24,349
Increase in Net Assets	409,267
Net Assets, Beginning of Year	703,037
Net Assets, End of Year	$ 1,112,304

See accompanying notes to the financial statements.

JEWISH FAMILY SERVICE AGENCY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Program Services	Management and General	Fundraising	Total
Advertising	$ 5,500	$ -	$ -	$ 5,500
Computer expenses	46,429	2,790	227	49,446
Depreciation	13,940	760	124	14,824
Dues and subscriptions	3,341	182	30	3,553
Education and training	4,606	251	41	4,898
Employee benefits	9,423	5,933	-	15,356
Fundraising	-	-	27,000	27,000
Insurance	116,505	6,350	1,038	123,893
Interest	35	2	-	37
Merchant fees	8,076	432	70	8,578
Mileage reimbursement	14,806	807	131	15,744
Miscellaneous	2,927	160	26	3,113
Office expense	48,536	2,645	432	51,613
Payroll expense	88,134	4,803	785	93,722
Printing and postage	16,837	918	150	17,905
Professional services	33,089	241,426	-	274,515
Program expenses	3,357,382	-	-	3,357,382
Rent expense	96,728	5,272	862	102,862
Salaries	960,566	52,090	8,658	1,021,314
Telephone	15,614	851	139	16,604
Travel	1,097	-	-	1,097
	$ 4,843,571	$ 325,672	$ 39,713	$ 5,208,956

See accompanying notes to the financial statements.

JEWISH FAMILY SERVICE AGENCY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

Cash Flows from Operating Activities		
Increase in net assets	$	409,267
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
In-kind equipment		(14,550)
Depreciation		14,824
Gain on extinguishment of debt		(125,000)
Net realized and unrealized gain on investment		(11,491)
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable		(1,560)
(Increase) decrease in grants receivable		(88,264)
(Increase) decrease in pledges receivable		3,634
(Increase) decrease in inventory		(8,003)
(Increase) decrease in prepaid expense		(6,620)
Increase (decrease) in accounts payable		48,822
Increase (decrease) in accrued expenses		(157)
Increase (decrease) in grant advances		68,015
Net cash provided by operating activities		288,917
Cash Flows from Investing Activities		
Purchase of property and equipment		(25,543)
Net cash used in investing activities		(25,543)
Cash Flows from Financing Activities		
Cash proceeds from long term debt		125,000
Principal payments on capital lease obligation		(723)
Net provided by financing activities		124,277
Net Increase in Cash and Cash Equivalents		387,651
Cash and Cash Equivalents, Beginning of Year		420,125
Cash and Cash Equivalents, End of Year	$	807,776
Supplemental disclosure of cash flow information:		
Interest paid	$	37

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

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 inclusive of 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 resident 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.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 scale fee; 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 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 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, 2020, there is no estimated allowance for doubtful accounts and all receivables are deemed collectible in one year. As of December 31, 2020, and 2019, accounts receivable included on the statement of financial position relating to program income were $12,058 and $10,498, 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, 2020, 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, 2020, 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 an in-kind contributions and valued at $1.62 per pound for the first 10 months of the year and $1.74 for the last 2 months, in accordance with Feed America's valuation as of June 30, 2019 and 2020. 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. 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, the advance is reported as a liability. Grant advances for the year ended December 31, 2020 was $112,101.

Revenue Recognition

In August 2015 the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09 (Topic 606) pertaining to revenue from contracts with customers. This pronouncement was amended by ASU 2020-05 to extend the effective date of this pronouncement for non-public companies to become effective for fiscal years beginning after December 15, 2019, with early adoption permitted. The Agency adopted Topic 606 at the beginning of the year ended December 31, 2020. The Agency's financial statements were not impacted by the adoption of Topic 606.

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, 2020, 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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	$ 488,774
Professional services	109,564
Other donations	24,710
Vehicle	14,550
	$ 637,598

Professional services consist of recordable monthly accounting services 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 $5,500 as of December 31, 2020.

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 2017.

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. Early application continues to be permitted. Management has not yet evaluated the effects of this standard on the Agency's financial statements.

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	$ 685,632
Investments	204,880
Accounts receivable	12,058
Grants receivable	312,931
Pledges receivable	25,248
	$ 1,240,749

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 – PROPERTY AND EQUIPMENT

As of December 31, 2020, property and equipment consisted of the following:

Building improvement	$ 91,171
Furniture and equipment	87,372
	178,543
Less: accumulated depreciation	(59,404)
	$ 119,139

Depreciation expense for the year ended December 31, 2020 was $14,824.

NOTE 4 – 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.

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 at December 31, 2020 are as follows:

	Total	Level 1	Level 2	Level 3
Recurring fair value measurements:				
Stocks	$ 204,880	$ 204,880	$ -	$ -
	$ 204,880	$ 204,880	$ -	$ -

NOTE 5 – PAYCHECK PROTECTION PROGRAM (PPP)

In April 2020, the Agency secured a loan from the Small Business Administration Paycheck Protection Program. The loan amount was $125,000, with a term of 2 years at 1% interest. Per the terms of the loan, the first payment was expected on or about November 9, 2020, unless the loan was fully forgiven. All or a portion of the loan can be forgiven to the extent that at least 60% of the loan proceeds are used for payroll costs and the Agency does not reduce its total number of employees or reduce employee salaries or wages by 25% or more during the covered period of the loan. In November 2020, the Agency applied for full forgiveness which was granted in January 2021 by the Small Business Administration.

NOTE 6 – 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, 2020:

NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Subject to expenditure for specified purpose and/or passage of time:	
Chesed, Indigent Burial	$ 45,726
Holocaust Survivor Group	14,165
Pantry	13,189
Emergncy services	10,000
David Berkovitz Memorial Fund for Survivors in Need	9,908
Hal Ober Scholarship Fund	4,250
Speigel	868
Pat Risler	488
Tzedakah Emergency Funds	150
	98,744
Not subject to appropriation or expenditure:	
Donor restricted endowment held in perpetuity	23,400
	$ 122,144

As of December 31, 2020, net assets with donor restrictions consisted of cash and cash equivalents of $98,744 classified as current and $23,400 classified as long-term due to the asset being held in perpetuity.

NOTE 7 – RELATED PARTY TRANSACTIONS

In October 2017, the Agency entered into a loan agreement with Jewish Nevada for $60,000. The loan is due in equal installments of $20,000 on the first day of July 2018 through 2020 and bears no interest. The loan agreement also allows for loan forgiveness between the entities which the Agency is pursuing based on the loan agreement terms.

NOTE 8 – LEASES

In December 2019, the Agency into a non-cancellable operating lease for office space at an original rate of $8,563 per month for one year. In December 2020, this lease was extended for one year 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:

2021	$ 110,057
2022	4,224
2023	2,112
	$ 116,393

Total rent expense for the year ended December 31, 2020 was $102,862.

NOTE 9 – 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.

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.

Interpretation of Relevant Law (continued)

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, 2020:

	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 9 – ENDOWMENT (Continued)

Changes in endowment net assets for the year ended December 31, 2020:

	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 10 – SIMPLE IRA RETIREMENT PLAN

As of September 1, 2016, the Agency sponsors a Simple IRA retirement plan (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 $15,356 for the year ended December 31, 2020.

NOTE 11 – 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, 2020:

Gross patient insurance revenue	$ 66,192
Contractual adjustments	(32,689)
Net patient insurance revenue	$ 33,503

NOTE 12 – CONCENTRATIONS

For the year ended December 31, 2020, approximately 33% 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 13 – RISKS AND UNCERTAINTIES

In March 2020, the World Health Organization officially characterized a novel strain of the coronavirus (COVID-19) as a global pandemic. Management is currently responding to the existing effects and planning for the potential future effects that the COVID-19 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 14 – SUBSEQUENT EVENTS

Management of the Agency has evaluated subsequent events through April 27, 2021, which is the date the financial statements were available to be issued. No additional events were identified that would require additional disclosure.

SUPPLEMENTARY INFORMATION

Information regarding the Conference on Jewish Material Claims Against Germany, Inc. (the "grantor") for the year ended December 31, 2020 is summarized below:

Fund	Application Number	Award Amt. Received	Award Expenditures	Contract Dates
2020 Calendar Year Grant:				
GG22	21477	$ 803,637	$ 803,637	01/1/2020-12/31/2020
HSEAP	23417	9,474	9,474	01/1/2020-12/31/2020
Total Claims Conference		$ 813,111	$ 813,111	

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, $80,364 was included in grants receivable at year end for GG22 and $4,914 for HSEAP.

COMPLIANCE SECTION

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 agency)("The Agency"), which comprise the statement of financial position as of December 31, 2020, and the related statement 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 27, 2021.

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

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

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

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of The 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
April 27, 2021

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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

We have audited the Jewish Family Service Agency's ("The Agency") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of The Agency's major federal programs for the year ended December 31, 2020. 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.

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

Management of The Agency 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 Agency's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of The Agency's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control 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.

Acuity Financial Center
7881 W. Charleston Blvd., Ste. 155 • Las Vegas, NV 89117
p 702•871•2727 f 702•876•0040
lvcpas.com

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Ellsworth & Stout, LLC

Las Vegas, Nevada
April 27, 2021

JEWISH FAMILY SERVICE AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2020

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH IDENTIFYING NUMBER	PASSED THROUGH TO SUB-RECIPIENTS	FEDERAL EXPENDITURES
U.S. Department of Agriculture				
Passed through Three Square				
Emergency Food Assistance Program (Food Commodities)*	10.569		$ -	$ 175,627
Total Food Distribution Cluster			-	175,627
U.S. Department of Housing and Urban Development				
Passed through the City of Las Vegas				
Community Development Block Grants Entitlement Grants	14.218		-	34,636
Total CDBG - Entitlement Grants Cluster			-	34,636
U.S. Department of Treasury				
COVID 19 Coronavirus Relief Fund	21.019			1,152,745
U.S. Department of Health and Human Services				
Passed through the State of Nevada Department of Health and Human Services				
Special Programs for the Aging, Title III, Part B	93.044	03-109-02-LB-20 03-109-02-LB-21 03-109-15-EB-21	-	102,125
COVID-19 Special Programs for Aging, Title III, Part B	93.044	03-109-15-BC3X-21	-	7,363
Total Aging Cluster			-	109,488
Alzheimer's Disease Demonstration Grants to States - ADRC	93.051	03-109-15-AC3X-21	-	18,026
National Family Caregiver Support, Title III, Part E - Care	93.052	03-109-15-EB-21	-	20,696
U.S. Corporation for National and Community Service				
Foster Grandparent Program	94.011		-	336,219
Senior Companion Program	94.016		-	146,409
Total Foster Grandparent/Senior Companion Cluster			-	482,628
Senior Demonstration Program	94.017		-	86,641
U.S. Department of Homeland Security				
Passed through Clark County				
Emergency Food and Shelter National Board Program	97.024		-	108,826
COVID-19 Emergency Food and Shelter National Board Program	97.024		-	24,004
Total CFDA 97.024			-	132,830
Total Expenditures of Federal Awards			$ -	$ 2,213,317

* 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, 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). 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:
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.

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?	x	yes		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:
	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?		yes	x	no

Section II – Financial Statement Findings

Finding:	**2019-001**
Criteria:	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. The Agency's internal control and accounting systems related to the Emergency Food Assistance Program should identify all donated materials during closing procedures both monthly and annually.
Condition:	The Agency's financial close and reporting process related to the Emergency Food Assistance Program did not detect donated materials until identified during the audit process.
Cause:	One department head failed to follow existing policies and procedures as it relates to receiving donations into the food pantry. Failure to provide all relevant information to the finance department affected their daily reporting, financial close and reporting processes.
Effect:	Control deficiencies noted above resulted in material adjustments to the financial statements.
Recommendation:	The Agency should provide additional resources to monitor compliance with all policies and procedures. The Agency should remind personnel on the importance of following existing procedures on all donations into the food pantry even when those donations do not have a cash consequence to the Agency.
Status:	See summary schedule of prior audit findings.

Section III – Federal Award Findings and Questioned Costs

None reported.

"Repairing the world, one life at a time."

Jewish Family Service Agency

Jewish Family Service Agency
Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended December 31, 2019

Section II – Financial Statement Findings

Finding: 2019-001

Status Update: Corrected.

Section III – Federal Award Findings and Questioned Costs

None reported.