



2022

FINANCIAL STATEMENTS

with Independent Auditor's Report
December 31, 2022

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Supporting Families & Seniors.
Alleviating Hunger.
Improving Mental Health.

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of Jewish Family Services of St. Louis (a Missouri corporation) ("JFS"), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years 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 Services of St. Louis as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Jewish Family Services of St. Louis and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, 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 Jewish Family Services of St. Louis'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, including omissions, 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.

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 Jewish Family Services of St. Louis'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 Jewish Family Services of St. Louis'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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 25, 2023, on our consideration of JFS's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of JFS'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 JFS's internal control over financial reporting and compliance.



Armanino^{LLP}
St Louis, Missouri

April 25, 2023

Jewish Family Services of St. Louis
Statements of Financial Position
December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and cash equivalents	\$ 2,355,998	\$ 2,388,819
Accounts receivable, net	615,785	327,235
Prepaid and other assets	8,388	7,065
Investments, at fair value	10,276,309	11,457,386
Beneficial interest in trusts	370	370
Unconditional promises to give	948,128	900,398
Property and equipment, net	<u>3,143,045</u>	<u>3,326,971</u>
Total assets	<u>\$ 17,348,023</u>	<u>\$ 18,408,244</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 113,470	\$ 139,789
Accrued expenses	97,675	92,892
Finance lease liability	<u>20,586</u>	<u>27,644</u>
Total liabilities	<u>231,731</u>	<u>260,325</u>
Net assets		
Without donor restrictions	9,571,739	10,859,441
With donor restrictions	<u>7,544,553</u>	<u>7,288,478</u>
Total net assets	<u>17,116,292</u>	<u>18,147,919</u>
Total liabilities and net assets	<u>\$ 17,348,023</u>	<u>\$ 18,408,244</u>

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

Jewish Family Services of St. Louis
Statement of Activities
For the Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Contributions	\$ 1,353,067	\$ 1,766,207	\$ 3,119,274
Special program and government grants	1,275,451	-	1,275,451
Special event revenue, net	107,528	-	107,528
United Way of Greater St. Louis	-	570,179	570,179
Jewish Federation of St. Louis	410,487	759,000	1,169,487
Associated organizations	75,000	-	75,000
Fees for professional services rendered	197,344	-	197,344
Investment return, net	(1,150,071)	(771,268)	(1,921,339)
Other revenue	128,550	-	128,550
Net assets released from restriction	<u>2,068,043</u>	<u>(2,068,043)</u>	<u>-</u>
Total support and revenue	<u>4,465,399</u>	<u>256,075</u>	<u>4,721,474</u>
Functional expenses			
Program services			
Clinical Services	1,661,055	-	1,661,055
Food Pantry	1,093,811	-	1,093,811
Child Abuse Prevention	306,397	-	306,397
Financial Assistance	317,315	-	317,315
Older Adult Services	<u>1,263,847</u>	<u>-</u>	<u>1,263,847</u>
Total program services	<u>4,642,425</u>	<u>-</u>	<u>4,642,425</u>
Support services			
Management and general	839,972	-	839,972
Fundraising	<u>270,704</u>	<u>-</u>	<u>270,704</u>
Total support services	<u>1,110,676</u>	<u>-</u>	<u>1,110,676</u>
Total functional expenses	<u>5,753,101</u>	<u>-</u>	<u>5,753,101</u>
Change in net assets	(1,287,702)	256,075	(1,031,627)
Net assets, beginning of year	<u>10,859,441</u>	<u>7,288,478</u>	<u>18,147,919</u>
Net assets, end of year	<u>\$ 9,571,739</u>	<u>\$ 7,544,553</u>	<u>\$ 17,116,292</u>

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

Jewish Family Services of St. Louis
Statement of Activities
For the Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Contributions	\$ 1,598,824	\$ 337,477	\$ 1,936,301
Special program and government grants	1,267,847	-	1,267,847
Special event revenue, net	242,778	-	242,778
United Way of Greater St. Louis	-	555,739	555,739
Jewish Federation of St. Louis	66,282	759,000	825,282
Associated organizations	125,000	-	125,000
Fees for professional services rendered	326,141	-	326,141
Investment return, net	816,196	541,224	1,357,420
Other revenue	47,022	-	47,022
Net assets released from restriction	<u>1,943,083</u>	<u>(1,943,083)</u>	<u>-</u>
Total support and revenue	<u>6,433,173</u>	<u>250,357</u>	<u>6,683,530</u>
Functional expenses			
Program services			
Clinical Services	1,422,039	-	1,422,039
Food Pantry	893,823	-	893,823
Child Abuse Prevention	264,403	-	264,403
Financial Assistance	261,070	-	261,070
Older Adult Services	<u>1,101,321</u>	<u>-</u>	<u>1,101,321</u>
Total program services	<u>3,942,656</u>	<u>-</u>	<u>3,942,656</u>
Support services			
Management and general	665,889	-	665,889
Fundraising	<u>522,008</u>	<u>-</u>	<u>522,008</u>
Total support services	<u>1,187,897</u>	<u>-</u>	<u>1,187,897</u>
Total functional expenses	<u>5,130,553</u>	<u>-</u>	<u>5,130,553</u>
Change in net assets	1,302,620	250,357	1,552,977
Net assets, beginning of year	<u>9,556,821</u>	<u>7,038,121</u>	<u>16,594,942</u>
Net assets, end of year	<u><u>\$ 10,859,441</u></u>	<u><u>\$ 7,288,478</u></u>	<u><u>\$ 18,147,919</u></u>

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

Jewish Family Services of St. Louis
Statement of Functional Expenses
For the Year Ended December 31, 2022

	Program Services					Support Services			
	Clinical Services	Food Pantry	Child Abuse Prevention	Financial Assistance	Older Adult Services	Total Program Services	Management and General	Fundraising	Total
Personnel expenses									
Salaries	\$ 839,574	\$ 434,007	\$ 162,217	\$ 103,472	\$ 571,001	\$ 2,110,271	\$ 426,001	\$ 103,890	\$ 2,640,162
Contracted professionals	339,344	-	-	-	-	339,344	-	-	339,344
Benefits	84,810	87,315	24,814	9,374	91,877	298,190	42,714	13,866	354,770
Taxes	60,996	31,525	11,752	7,541	41,424	153,238	30,933	7,545	191,716
Total personnel expenses	1,324,724	552,847	198,783	120,387	704,302	2,901,043	499,648	125,301	3,525,992
Assistance to individuals									
Bad debt	-	202,922	-	172,142	365,164	740,228	-	-	740,228
Depreciation	27,382	-	-	-	393	27,775	-	-	27,775
Dues and subscriptions	64,263	72,607	8,171	2,657	20,884	168,582	18,828	5,859	193,269
Insurance	3,797	3,740	1,367	582	3,045	12,531	1,559	1,205	15,295
Marketing and advertising	6,454	24,101	2,331	992	5,178	39,056	2,655	706	42,417
Meeting and meals	5,042	4,848	1,821	775	4,196	16,682	2,075	3,893	22,650
Occupancy	1,057	1,158	332	141	860	3,548	379	5,885	9,812
Office expenses	98,108	111,062	17,323	5,632	51,254	283,379	78,051	12,423	373,853
Program supplies	50,156	9,589	11,717	7,643	46,311	125,416	24,064	36,075	185,555
Professional fees	11,659	31,499	47,962	48	8,949	100,117	-	-	100,117
Recruiting expense	41,996	40,849	10,952	4,655	40,255	138,707	148,673	63,637	351,017
Special event expenses	20,113	4,795	1,842	688	4,947	32,385	63,008	15,476	110,869
Staff development	-	-	-	-	-	-	-	67,029	67,029
Travel	6,304	3,243	1,784	973	4,473	16,777	916	244	17,937
Vehicle expense	-	-	2,012	-	3,150	5,162	92	-	5,254
Volunteers	-	27,704	-	-	-	27,704	-	-	27,704
Total expenses by function	1,661,055	1,093,811	306,397	317,315	1,263,847	4,642,425	839,972	337,733	5,820,130
Less expenses included with revenues on the statement of activities									
Special event expenses	-	-	-	-	-	-	-	(67,029)	(67,029)
Total expenses included on the statement of activities	\$ 1,661,055	\$ 1,093,811	\$ 306,397	\$ 317,315	\$ 1,263,847	\$ 4,642,425	\$ 839,972	\$ 270,704	\$ 5,753,101

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

Jewish Family Services of St. Louis
Statement of Functional Expenses
For the Year Ended December 31, 2021

	Program Services					Support Services			
	Clinical Services	Food Pantry	Child Abuse Prevention	Financial Assistance	Older Adult Services	Total Program Services	Management and General	Fundraising	Total
Personnel expenses									
Salaries	\$ 703,617	\$ 393,656	\$ 143,928	\$ 54,062	\$ 320,065	\$ 1,615,328	\$ 466,824	\$ 140,164	\$ 2,222,316
Contracted professionals	300,131	-	-	-	-	300,131	-	-	300,131
Benefits	82,246	92,867	24,382	8,233	45,897	253,625	9,646	21,161	284,432
Taxes	51,178	28,721	10,451	3,946	23,178	117,474	34,021	10,251	161,746
Total personnel expenses	<u>1,137,172</u>	<u>515,244</u>	<u>178,761</u>	<u>66,241</u>	<u>389,140</u>	<u>2,286,558</u>	<u>510,491</u>	<u>171,576</u>	<u>2,968,625</u>
Assistance to individuals									
Depreciation	-	95,061	-	171,838	466,902	733,801	-	-	733,801
Dues and subscriptions	57,876	72,206	2,853	3,949	25,414	162,298	27,959	5,917	196,174
Insurance	4,370	4,630	1,768	637	2,106	13,511	2,400	1,686	17,597
Marketing and advertising	5,683	19,183	2,299	828	2,738	30,731	3,121	817	34,669
Meeting and meals	3,081	3,551	1,246	994	2,855	11,727	1,692	21,843	35,262
	719	761	286	103	443	2,312	388	4,793	7,493
Occupancy	106,180	90,624	5,201	7,200	49,913	259,118	53,975	15,600	328,693
Office expenses	32,516	22,545	9,884	5,517	26,750	97,212	10,721	44,932	152,865
Program supplies	5,814	19,662	52,088	13	18,981	96,558	-	-	96,558
Professional fees	33,384	22,496	6,933	2,675	108,046	173,534	53,959	252,554	480,047
Recruiting expense	30,695	928	314	116	4,288	36,341	382	1,373	38,096
Special event expenses	-	-	-	-	-	-	-	88,215	88,215
Staff development	4,549	2,098	2,685	900	3,116	13,348	594	917	14,859
Travel	-	-	85	59	510	654	149	-	803
Vehicle expense	-	21,420	-	-	-	21,420	-	-	21,420
Volunteers	-	3,414	-	-	119	3,533	-	-	3,591
Total expenses by function	<u>284,867</u>	<u>378,579</u>	<u>85,642</u>	<u>194,829</u>	<u>712,181</u>	<u>1,656,098</u>	<u>155,398</u>	<u>438,647</u>	<u>2,250,143</u>
Less expenses included with revenues on the statement of activities									
Special event expenses	-	-	-	-	-	-	-	(88,215)	(88,215)
Total less expenses included on the statement of activities	<u>\$ 1,422,039</u>	<u>\$ 893,823</u>	<u>\$ 264,403</u>	<u>\$ 261,070</u>	<u>\$ 1,101,321</u>	<u>\$ 3,942,656</u>	<u>\$ 665,889</u>	<u>\$ 522,008</u>	<u>\$ 5,130,553</u>

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

Jewish Family Services of St. Louis
Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Change in net assets	\$ (1,031,627)	\$ 1,552,977
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	193,269	196,174
Provision for net present value on promises to give	6,970	(10,702)
Realized/unrealized losses (gains) on investments	1,911,260	(1,376,348)
Contributions received for perpetual endowment	(901,508)	-
Changes in operating assets and liabilities		
Unconditional promises to give	(54,700)	63,110
Accounts receivables	(288,550)	68,268
Prepaid expenses	(1,323)	7,425
Accounts payable	(26,319)	(15,193)
Accrued expenses	4,783	(56,357)
Net cash provided by (used in) operating activities	<u>(187,745)</u>	<u>429,354</u>
Cash flows from investing activities		
Investment purchases	(1,499,566)	(1,485,107)
Proceeds from sale of investments	808,275	1,370,001
Reinvestment of interest and dividends	(38,892)	(34,515)
Property and equipment purchased	<u>(9,343)</u>	<u>(101,973)</u>
Net cash used in investing activities	<u>(739,526)</u>	<u>(251,594)</u>
Cash flows from financing activities		
Collections of contributions restricted for investment in perpetual endowment	901,508	11,356
Payments on finance lease	<u>(7,058)</u>	<u>(7,059)</u>
Net cash provided by financing activities	<u>894,450</u>	<u>4,297</u>
Net increase (decrease) in cash and cash equivalents	(32,821)	182,057
Cash and cash equivalents, beginning of year	<u>2,388,819</u>	<u>2,206,762</u>
Cash and cash equivalents, end of year	<u>\$ 2,355,998</u>	<u>\$ 2,388,819</u>

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

Jewish Family Services of St. Louis
Notes to Financial Statements
December 31, 2022 and 2021

1. NATURE OF OPERATIONS

Nature of Activities

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

Harvey Kornblum Jewish Food Pantry (HKJFP)

- The Harvey Kornblum Jewish Food Pantry is the largest food pantry in the region, serving more than 15,000 people annually from 72 different zip codes throughout St. Louis City and St. Louis County. Using the Client Choice model, where clients shop for themselves and select the foods that support their family's unique nutritional needs or dietary restrictions, a staff of 11 and a volunteer workforce of more than 125 people ensure its smooth operations. Community members who visit the food pantry are often experiencing hardships in addition to hunger including unemployment or underemployment, lack of access to health care, and housing insecurity. The pantry's staff and volunteers connect visitors and their families to the services they need through a JFS program or to an external partner in the community.
- The economic fluctuations following the COVID-19 pandemic continue to affect many in our community. In 2022, more than 19,600 individuals visited the food pantry. The drive-through food distribution model is still being operationalized to meet this high need. In 2022, a study was completed to explore opportunities to modernize and/or innovate pantry operations to serve and respond to pantry guests' future grocery and nutritional needs and maintain its reputation for exemplary service to the community. Recommendations include a hybrid-model where guests can shop indoors or drive-through based on their preference, investing in technology to streamline operations and on-line ordering to enhance client choice.

Child Abuse Prevention Program ("CAPP")

- JFS's team of trained specialists work with more than 150 schools throughout the St. Louis area to annually teach more than 35,000 children, teachers, and parents about body safety, the warning signs of abuse, and safe internet use. Though the ultimate goal of the program is prevention, the presentations also teach children who have seen or experienced abuse the importance of reporting the incident to a trusted adult. These disclosures open the door to intervention and healing for the affected children and their families.
- Virtual presentation options are no longer needed to address COVID health concerns, and all 2022 presentations took place in-person at schools. The demand for CAPP presentations in schools throughout the region continues to outpace our current capacity. To meet demand, JFS developed a "train the presenter" program so that JFS CAPP staff can train school personnel to provide child abuse prevention presentations in their own schools. We began the rollout of this training program in August 2022. The first group of facilitators are social workers and counselors from a St. Louis County school district that has been a CAPP partner for many years.

Jewish Family Services of St. Louis
Notes to Financial Statements
December 31, 2022 and 2021

1. NATURE OF OPERATIONS (continued)

Financial Assistance Program

- JFS Financial Assistance helps financially distressed individuals and families acquire immediate funds, advocacy, and support to help them through times of crisis and move toward self-sufficiency. These funds provide the short-term relief needed to establish a long-term plan for achieving more financial stability. Requests for financial assistance remained high in 2022 as the economy continued to fluctuate and provided financial relief for 298 people in 147 families. In 2022, the United Way awarded JFS one of nine United for Families (UFF) grants for a pilot program to help clients improve their unique financial situation. JFS provided individualized case management, financial coaching, and emergency financial assistance to meet UFF's objectives of helping stabilize and support families on their road to increased financial security; preventing homelessness and displacement; and preventing school mobility challenges for school-age children.

Clinical Services

- Clinical Services include counseling and diagnostic evaluation and psychiatry for children and adolescents, all of which work hand-in-hand to provide for the behavioral and mental health needs of the community.
- The school-based team provides customized services and counseling to students on-site in schools across St. Louis County to help them improve their behavioral and mental health, and academic performance.
- Since JFS returned post-pandemic to counseling on-site in schools, JFS therapists noted that children are presenting with increasingly complex behaviors that would benefit from additional treatment modalities. To address this trend, JFS applied for and received a grant to train our clinical staff in 2022 in Dialectical Behavioral Therapy (DBT), which will provide additional support to children and families.

Older Adult Services

- For decades JFS has provided services and referrals to resources that help adults ages 60 and older age-in-place, support caregivers and improve quality of life. JFS case managers aim to provide clients with the tools and resources needed to live safely at home and enrich quality of living as they navigate new stages of life.
- ElderLink St. Louis is a coordinated intake and referral service for older adults, their children, and their caregivers that offers specialized information on resources of interest to older adults. The referral line is staffed by a master's-level social worker, who offer customized information and referral on the issues affecting them or their loved ones. All clients are offered a comprehensive assessment.
- JFS case managers then collaborate with clients and caregivers to develop and manage an individualized care plan that facilitates and supports continued independence and safety in their desired living environment. We provide resources and program referrals, subsidized in-home support services, falls and hospital re-admission prevention, and counseling and chaplaincy visits as needed or requested.

Jewish Family Services of St. Louis
Notes to Financial Statements
December 31, 2022 and 2021

1. NATURE OF OPERATIONS (continued)

- JFS supports independent living through a network of referral partners that offer transportation to medical appointments, food delivery, utility assistance, minor home repairs, home health care, housing information, support to apply for government and veterans benefits and Medicaid, socialization opportunities, and more.
- St. Louis' Naturally Occurring Retirement Community (NORC) moved from the Jewish Federation of St. Louis to JFS in 2021. The full integration was completed in 2022 and is now a seamless part of the JFS Older Adult Services team.

Care Management Services

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of accounting and presentation

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

- *Net assets without donor restrictions* - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. Designated amounts represent those resources that the Board has set aside for a particular purpose.
- *Net assets with donor restrictions* - Net assets subject to donor- (or certain grantor)- imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be satisfied by actions of JFS or the passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity by JFS.

Jewish Family Services of St. Louis
Notes to Financial Statements
December 31, 2022 and 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

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

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

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

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

Contributed goods and services

Contributed goods and services meeting recognition criteria under U.S. GAAP are recorded as public support contributions and as expense, based on estimated fair values at the date of donation. Contributed services are recorded as public support only if they create or enhance non-financial assets, require specialized services, are performed by people with those skills, would otherwise be purchased by JFS, or represent an integral part of JFS' programs. There were no donated goods or services meeting these requirements received or recognized in the financial statements as of December 31, 2022 and 2021.

Volunteers donated 11,253 and 7,536 hours of time in 2022 and 2021, respectively, to JFS' special events and program services. The value of these contributed services is not reflected in the financial statements since these services do not meet the criteria for recognition.

Contributed goods from and to the surrounding community qualify as agency transactions in accordance with the Not-for-Profit Topic of the FASB ASC 958-605-25, Revenue Recognition. All contributed goods are disbursed to the community as they are received, therefore the quantity on hand (inventory) at year-end would be insignificant to the financial statements. JFS' policy is not to report the receipt or disbursement of these goods or the inventory on hand in the financial statements.

Jewish Family Services of St. Louis
Notes to Financial Statements
December 31, 2022 and 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

JFS considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. These amounts include cash donations and grants that are restricted in terms of their use. JFS maintains its cash deposits at financial institutions. Periodically, cash balances may be in excess of federally insured limits. Management believes no risk of loss existed at December 31, 2022 and 2021.

Accounts receivables

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. JFS provides an allowance for doubtful accounts equal to the estimated uncollectible account balances. JFS' estimate is based on a review of the current status of accounts receivable. Accounts receivable are presented net of an allowance for doubtful accounts of \$2,000 for each of the years ended December 31, 2022 and 2021.

Promises to give

JFS recognizes contributions as support when they are received or unconditionally pledged. Amounts pledged are presented as unconditional promises to give and are stated at the net present value of the amount expected to be collected from outstanding balances. JFS provides for an estimated uncollectible amount based on historical experience and industry trends. Management determines that no allowance for doubtful accounts was considered necessary for each of the years ended December 31, 2022 and 2021. Unconditional promises to give that are expected to be collected in future years are initially recorded at the fair value of their estimated future cash flows as of the date of the promise to give through the use of a present value discount technique.

Investments

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

Fair value measurements

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

Jewish Family Services of St. Louis
Notes to Financial Statements
December 31, 2022 and 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurements (continued)

- *Level 1* - Quoted prices (unadjusted) in active markets for identical assets that JFS has the ability to access as of the measurement date.
- *Level 2* - Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.
- *Level 3* - Significant unobservable inputs that reflect the assumptions that market participants would use in pricing the asset, based on the best information available in the circumstances.

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

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

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

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

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

JFS recognizes transfers between levels in the fair value hierarchy at the end of the reporting period. There were no transfers between levels for the years ending December 31, 2022 and 2021.

Property and equipment

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

Jewish Family Services of St. Louis
Notes to Financial Statements
December 31, 2022 and 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of long-lived assets

JFS evaluates whether events and circumstances have occurred that indicate the remaining estimated useful life of long-lived assets may warrant revision or that the remaining balance of an asset may not be recoverable. The measurement of possible impairment is based on the ability to recover the balance of assets from expected future operating cash flows on an undiscounted basis. In the opinion of management, no such impairment existed for the years ended December 31, 2022 and 2021.

Leases

Operating leases are primarily for office space and equipment while finance leases are for office equipment. As of January 1, 2022, operating leases are required to be included in right-of-use (ROU) assets and lease liabilities on the statement of financial position. ROU assets represent the organization's right to use an underlying asset for the lease term and lease liabilities represent the organization's obligation to make lease payments arising from the lease. For operating leases with a term of one year or less, JFS has elected to not recognize a lease liability or ROU asset on the statement of financial position. Instead, lease payments are recognized as expenses on a straight-line basis over the lease term. All operating leases that the Organization is a part of are less than one year or insignificant to the financial statements as of December 31, 2022 and 2021.

JFS determines if an arrangement is a lease, or contains a lease, at inception of a contract or when the terms of an existing contract are changed. Finance and operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As JFS' leases do not provide an implicit rate, the organization uses the risk free rate commensurate with the lease term based on the information available at commencement date in determining the present value of lease payments. The lease ROU asset also includes any lease payments made and excludes lease incentives. Option periods are included in the ROU asset and liability when it is reasonably certain the option will be exercised. Rent expense for lease payments is recognized on a straight-line basis over the lease term.

For any lease agreements with lease and non-lease components, JFS has elected to apply the practical expedient that allows equipment leases and their associated maintenance services to be accounted for as a single combined operating lease component. JFS is a lessee in lease agreement with third parties that do not have any material restrictions or covenants in their lease agreements, sale-leaseback transactions, land easements or residual value guarantees.

Functional allocation of expenses

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

Jewish Family Services of St. Louis
Notes to Financial Statements
December 31, 2022 and 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional allocation of expenses (continued)

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

Concentration of risk

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

Use of estimates

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

Income tax status

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

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

Change in accounting principle

In September 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets, which provides for new presentation and disclosure requirements about contributed nonfinancial assets, including additional disclosure requirements for recognized contributed services. JFS adopted ASU 2020-07 with a date of initial application of January 1, 2022, using the modified retrospective method. The adoption of ASU 2020-07 did not have a significant impact on JFS' financial position, results of operations, or cash flows.

Jewish Family Services of St. Louis
Notes to Financial Statements
December 31, 2022 and 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Change in accounting principle (continued)

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, Leases (Topic 842), including subsequently issued ASUs to clarify the implementation guidance in ASU 2016-02. Under the lease standard, lessees recognize a right-of-use asset and a lease liability for virtually all lease (other than short-term leases). This ASU may be applied retrospectively in each reporting period presented or modified retrospectively with the cumulative effect adjustment to the opening balance of net assets. JFS adopted this ASU on January 1, 2022 on a modified basis, with no effect on net assets. JFS elected the package of practical expedients for its leases existing prior to then adoption of ASU that will retain prior conclusions about lease identification, lease classification and initial direct costs under the new standard. JFS has made an accounting policy election to account for its equipment lease and nonlease components as a single component. JFS elected the short-term exemption to not recognize right-of-use assets and lease liabilities for any leases with a duration of twelve months or less.

Subsequent events

JFS has evaluated all subsequent events through April 25, 2023, the date the financial statements were available to be issued.

3. INVESTMENTS

In accordance with ASU 2015-07 Fair Value Measurement (Topic 820), certain collective trust investments and pooled separate account investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy.

The cost basis of these pooled investments as of December 31, 2022 and 2021, was \$9,796,079 and \$9,124,001, respectively.

Investments measured using net asset value per share are as follows at December 31, 2022:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Pooled investments	\$ 10,276,309	\$0	Not available	Not available

Investments measured using net asset value per share are as follows at December 31, 2021:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Pooled investments	\$ 11,457,386	\$0	Not available	Not available

Jewish Family Services of St. Louis
Notes to Financial Statements
December 31, 2022 and 2021

3. INVESTMENTS (continued)

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

	<u>2022</u>	<u>2021</u>
Interest and dividends	\$ 38,892	\$ 34,515
Unrealized gains (losses)	(2,049,284)	557,304
Realized gains	<u>138,024</u>	<u>819,044</u>
	(1,872,368)	1,410,863
Investment fees	<u>(48,971)</u>	<u>(53,443)</u>
	<u><u>\$ (1,921,339)</u></u>	<u><u>\$ 1,357,420</u></u>

4. DONOR AND BOARD DESIGNATED ENDOWMENT

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

Interpretation of relevant law

JFS has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"), adopted into Missouri law in 2009, as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, JFS classifies as net assets with donor restrictions (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions in perpetuity is classified as net assets with donor restrictions that are temporary in nature until those amounts are appropriated for expenditure by JFS in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, JFS considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of JFS, and (7) JFS' investment policies.

Jewish Family Services of St. Louis
Notes to Financial Statements
December 31, 2022 and 2021

4. DONOR AND BOARD DESIGNATED ENDOWMENT (continued)

Interpretation of relevant law (continued)

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

Return objectives and risk parameters

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

Funds with deficiencies

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). JFS has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At December 31, 2022 and 2021, there were no endowment funds that were underwater.

Spending policy

JFS has a policy of appropriating for distribution an approved percentage of its endowment fund's year-end fair value each year, not to exceed 4.5% of the endowment balance based on an average of the 12 prior quarters ending on June 30 of the year prior to the year in which the endowment draw will be utilized. In 2022 and 2021, the Board of Directors approved up to 4.5% of its endowment fund's year-end fair value for distribution and the full amount was distributed each year. In establishing this policy, JFS considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor restrictions, and the possible effect of inflation. JFS expects the current spending policy to allow its endowment funds to grow annually, which is consistent with JFS' objective to maintain the purchasing power of the endowment assets, as well as to provide additional real growth through investment return.

Jewish Family Services of St. Louis
Notes to Financial Statements
December 31, 2022 and 2021

4. DONOR AND BOARD DESIGNATED ENDOWMENT (continued)

Endowment composition

Endowment net asset composition by type of fund as of December 31, 2022 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 4,010,949	\$ 4,010,949
Accumulated investment earnings	<u>-</u>	<u>1,987,493</u>	<u>1,987,493</u>
	-	5,998,442	5,998,442
Board-designated endowment funds	<u>4,335,303</u>	<u>-</u>	<u>4,335,303</u>
	<u>\$ 4,335,303</u>	<u>\$ 5,998,442</u>	<u>\$ 10,333,745</u>

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

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 2,809,518	\$ 2,809,518
Accumulated investment earnings	<u>-</u>	<u>2,918,314</u>	<u>2,918,314</u>
	-	5,727,832	5,727,832
Board-designated endowment funds	<u>5,786,992</u>	<u>-</u>	<u>5,786,992</u>
	<u>\$ 5,786,992</u>	<u>\$ 5,727,832</u>	<u>\$ 11,514,824</u>

Jewish Family Services of St. Louis
Notes to Financial Statements
December 31, 2022 and 2021

4. DONOR AND BOARD DESIGNATED ENDOWMENT (continued)

Endowment composition (continued)

Changes in endowment net assets for the fiscal year ended December 31, 2022 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Balance, December 31, 2021	\$ 5,786,992	\$ 5,727,832	\$ 11,514,824
Investment return			
Interest and dividends	11,921	7,161	19,082
Net realized and unrealized losses	(1,152,379)	(758,881)	(1,911,260)
Investment fees	(29,423)	(19,548)	(48,971)
Total investment return	(1,169,881)	(771,268)	(1,941,149)
Contributions	14,820	1,201,431	1,216,251
Amounts appropriated for expenditure	(296,628)	(159,553)	(456,181)
	<u>(1,451,689)</u>	<u>270,610</u>	<u>(1,181,079)</u>
Balance, December 31, 2022	<u>\$ 4,335,303</u>	<u>\$ 5,998,442</u>	<u>\$ 10,333,745</u>

Changes in endowment net assets for the fiscal year ended December 31, 2021 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Balance, December 31, 2020	\$ 4,677,024	\$ 5,308,385	\$ 9,985,409
Investment return			
Interest and dividends	20,584	12,740	33,324
Net realized and unrealized gains	826,564	549,784	1,376,348
Investment fees	(32,143)	(21,300)	(53,443)
Total investment return	815,005	541,224	1,356,229
Contributions	500,000	11,354	511,354
Amounts appropriated for expenditure	(205,037)	(133,131)	(338,168)
	<u>1,109,968</u>	<u>419,447</u>	<u>1,529,415</u>
Balance, December 31, 2021	<u>\$ 5,786,992</u>	<u>\$ 5,727,832</u>	<u>\$ 11,514,824</u>

Jewish Family Services of St. Louis
Notes to Financial Statements
December 31, 2022 and 2021

5. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	<u>2022</u>	<u>2021</u>
Land	\$ 613,657	\$ 613,657
Buildings	3,765,844	3,765,844
Leasehold improvements	108,046	108,046
Land improvements	27,007	27,007
Furniture and fixtures	<u>1,199,618</u>	<u>1,190,275</u>
	5,714,172	5,704,829
Accumulated depreciation	<u>(2,571,127)</u>	<u>(2,377,858)</u>
	<u><u>\$ 3,143,045</u></u>	<u><u>\$ 3,326,971</u></u>

6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following:

	<u>2022</u>	<u>2021</u>
Promises to give that are not restricted by donors	\$ 51,800	\$ 21,636
United Way allocation	570,179	555,739
Jewish Federation allocation	<u>379,500</u>	<u>379,500</u>
	1,001,479	956,875
Other program purpose	544,262	603,401
Endowment earnings for specified purpose	1,987,493	2,918,314
Beneficial interests in perpetual trusts	370	370
Endowments in perpetuity	<u>4,010,949</u>	<u>2,809,518</u>
	<u><u>\$ 7,544,553</u></u>	<u><u>\$ 7,288,478</u></u>

Net assets with donor restrictions released from restriction during the year were as follows:

	<u>2022</u>	<u>2021</u>
Satisfaction of program restrictions	\$ 572,115	\$ 509,207
Distribution from endowment earnings (spending policy)	159,553	133,131
Expiration of time restrictions	<u>1,336,375</u>	<u>1,300,745</u>
	<u><u>\$ 2,068,043</u></u>	<u><u>\$ 1,943,083</u></u>

Jewish Family Services of St. Louis
Notes to Financial Statements
December 31, 2022 and 2021

7. NET ASSETS WITHOUT DONOR RESTRICTIONS

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

	<u>2022</u>	<u>2021</u>
Board-designated endowment funds:		
General endowment purposes	\$ 3,998,870	\$ 5,375,534
Capital equipment fund	<u>336,433</u>	<u>411,458</u>
	4,335,303	5,786,992
Undesignated	<u>5,236,436</u>	<u>5,072,449</u>
	<u><u>\$ 9,571,739</u></u>	<u><u>\$ 10,859,441</u></u>

8. UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give consisted of the following:

	<u>2022</u>	<u>2021</u>
Promises to give due within one year	\$ 976,479	\$ 946,779
Promises to give due in over one year	25,000	-
Discount on promises to give	<u>(53,351)</u>	<u>(46,381)</u>
	<u><u>\$ 948,128</u></u>	<u><u>\$ 900,398</u></u>

Unconditional promises to give are discounted using the bank's prime rate. The applicable rates were 5.5% and 3.25% for the years ended December 31, 2022 and 2021 respectively.

9. CONDITIONAL PROMISES TO GIVE

JFS has received multi-year conditional promises to give with a remaining balance as follows:

	<u>2022</u>	<u>2021</u>
Promise conditioned on the completion of the strategic plan	\$ -	\$ 25,000
Promise conditioned on the performance of the homemaker program and approval of expenditures	<u>250,000</u>	<u>50,000</u>
	<u><u>\$ 250,000</u></u>	<u><u>\$ 75,000</u></u>

The commitments above are part of a multi-year promise, with the first disbursement being made up-front and the second disbursement after conditions have been met. Payments received and revenue recorded, related to these promises, totaled \$125,000 and \$115,778 as of December 31, 2022 and 2021, respectively.

Jewish Family Services of St. Louis
Notes to Financial Statements
December 31, 2022 and 2021

9. CONDITIONAL PROMISES TO GIVE (continued)

In addition, JFS receives funding on a unit-based reimbursement basis under an agreement, which require the fulfillment of certain conditions and performance of services. Failure to fulfill the conditions could result in the return of the funds or no release of the funds. No amounts have been reflected in these financial statements for the conditional promises to give until conditions are satisfied.

10. LINE OF CREDIT

During 2022, JFS renewed their line-of-credit with Busey Bank in the amount of \$600,000, maturing on September 6, 2024. Amounts borrowed under this agreement bear interest at the bank's prime rate, resulting in the rate of 5.5% and 3.25% as of December 31, 2022 and 2021, respectively. The line is collateralized by the building located at 10950 Schuetz Road. No borrowings occurred during 2022 or 2021, and none have occurred through the date of the independent auditor's report.

11. FINANCE LEASE

In 2019, JFS entered into a finance lease agreement for telephone equipment with a third party that matures after 72 months. Payments due under the lease contract are \$772 per month. The implicit interest rate on the lease is 9.43% and the weighted average remaining lease term is 3 years. Interest expense on the lease liability included in office expenses on the statements of functional expenses was \$2,254 and \$2,345 for the years ended December 31, 2022 and 2021.

Equipment under finance lease consisted of the following as of December 31:

Telephone equipment	\$ 42,349
Accumulated depreciation	<u>(21,175)</u>
	<u>\$ 21,174</u>

The asset is amortized over its estimated useful life of 7 years. Amortization of lease assets included in depreciation expense on the statements of functional expenses was \$6,050 for the years ended December 31, 2022 and 2021.

Finance lease liability consisted of the following as of December 31:

Current portion of finance lease liability	\$ 7,303
Long-term portion of finance lease liability	<u>13,283</u>
	<u>\$ 20,586</u>

Jewish Family Services of St. Louis
Notes to Financial Statements
December 31, 2022 and 2021

11. FINANCE LEASE (continued)

Future maturities of finance lease obligations are as follows:

<u>Year ending December 31,</u>	
2023	\$ 9,269
2024	9,269
2025	<u>9,269</u>
	27,807
Less: debt discount	<u>(7,221)</u>
	<u><u>\$ 20,586</u></u>

12. LIQUIDITY AND AVAILABILITY

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

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 2,355,998	\$ 2,388,819
Accounts receivable, net	615,785	327,235
Unconditional promises to give	948,128	900,398
Board-designated distributions and appropriations	332,472	342,714
Endowment spending-rate distributions and appropriations	<u>57,580</u>	<u>97,353</u>
	4,309,963	4,056,519
Donor restrictions due to purpose	(544,262)	(603,401)
Promises to give due in over one year	(25,000)	-
Endowments included in cash and cash equivalents	<u>(57,436)</u>	<u>(57,438)</u>
	<u><u>\$ 3,683,265</u></u>	<u><u>\$ 3,395,680</u></u>

In addition to the above resources, JFS also holds a \$600,000 line-of-credit with a maturity date of September 6, 2024. No draws were made on the line of credit in 2022 or 2021 and the full \$600,000 is available for usage as of December 31, 2022 and 2021. See Note 10 for more information on the line of credit.

JFS has a board-designated investment fund with an annual spending rate of 4-5% as described in Note 4 with available funds of \$4,335,303 and \$5,786,992 as of December 31, 2022 and 2021, respectively. Although JFS does not intend to exceed the spending policy rate, these amounts could be made available, if necessary.

Jewish Family Services of St. Louis
Notes to Financial Statements
December 31, 2022 and 2021

13. CONCENTRATIONS

For the years ended December 31, 2022 and 2021, JFS received support of approximately 64% from three sources and 30% from two sources, respectively.

14. RECOGNITION OF EXCHANGE REVENUE

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

Amounts invoiced and collected in excess of revenues recognized are contract liabilities, which are presented as deferred revenues in the statements of financial position. As of December 31, 2022 and 2021, there are no amounts invoiced and collected in excess of revenue that would be considered deferred revenue.

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

	<u>2022</u>	<u>2021</u>
Over Time		
Homemaker program fees	\$ 109,530	\$ 200,277
NORC membership dues	20,845	-
Other program services	<u>66,969</u>	<u>125,864</u>
	<u>197,344</u>	<u>326,141</u>
Point in Time		
Special event ticket sales	<u>23,662</u>	<u>34,750</u>
	<u>23,662</u>	<u>34,750</u>
	<u>\$ 221,006</u>	<u>\$ 360,891</u>

The following tables presents special events revenue, net as presented on statement of activities as of December 31:

	<u>2022</u>	<u>2021</u>
Special event ticket sales	\$ 23,662	\$ 34,750
Special event contributions	150,895	296,243
Special events expenses	<u>(67,029)</u>	<u>(88,215)</u>
	<u>\$ 107,528</u>	<u>\$ 242,778</u>

Jewish Family Services of St. Louis
Notes to Financial Statements
December 31, 2022 and 2021

15. RETIREMENT PLAN

JFS' defined contribution profit-sharing Plan covers all eligible employees. Contributions are discretionary and determined annually by the Board of Directors. Contributions to the Plan totaled \$51,189 and \$52,516 in 2022 and 2021, respectively.

SINGLE AUDIT REPORTS AND SCHEDULES

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Jewish Family Services of St. Louis (a Missouri corporation) (the "JFS"), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 25, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the JFS'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 JFS's internal control. Accordingly, we do not express an opinion on the effectiveness of the JFS'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 JFS'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 JFS'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 JFS's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Armanino LLP". The signature is written in a cursive, flowing style.

Armanino^{LLP}
St Louis, Missouri

April 25, 2023

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM, INTERNAL CONTROL OVER COMPLIANCE, AND ON SCHEDULE
OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM
GUIDANCE

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Jewish Family Services of St. Louis (a Missouri corporation) (the "JFS")'s 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 the JFS's major federal programs for the year ended December 31, 2022. The JFS'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 JFS 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, 2022.

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 JFS 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 JFS'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 JFS'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 JFS'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 JFS'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 JFS'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 JFS'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 JFS'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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited JFS's financial statements as of and for the year ended December 31, 2022, and have issued our report thereon dated April 25, 2023, which contained an unmodified opinion on those financial statements. 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 is presented for purposes of additional analysis as required by the Uniform Guidance 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.



Armanino^{LLP}
St Louis, Missouri

April 25, 2023

Jewish Family Services of St. Louis
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal AL Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
<u>Expenditures of Federal Awards</u>			
United States Department of Agriculture			
Food Distribution Cluster - Emergency Food Assistance Program			
Pass-through program from:			
St. Louis Area Food Bank	10.569	5147	<u>1,221,817</u>
Total Food Distribution Cluster - Emergency Food Assistance Program			<u>1,221,817</u>
Food Distribution Cluster - Commodity Supplemental Food Program			
Pass-through program from:			
St. Louis Area Food Bank	10.565	5147	<u>138,338</u>
Total Food Distribution Cluster - Commodity Supplemental Food Program			<u>138,338</u>
Total United States Department of Agriculture			<u>1,360,155</u>
U.S. Department of Homeland Security			
Emergency Food and Shelter National Board Program			
Pass-through program from:			
St. Louis County	97.024	*	<u>99,800</u>
Total U.S. Department of Homeland Security			<u>99,800</u>
Total Expenditures of Federal Awards			<u>\$ 1,459,955</u>

The accompanying notes to the Schedule of Expenditures of Federal Awards
are an integral part of this schedule.

Jewish Family Services of St. Louis
Notes to Schedule of Expenditures of Federal Awards
December 31, 2022

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Jewish Family Services of St. Louis (a Missouri corporation) (the "JFS") under programs of the federal government for the year ended December 31, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting. Federal awards primarily consist of food commodities provided to Jewish Family Services of St. Louis (a Missouri corporation), with the value of these commodities reported on the schedule being determined by the pass-through entity providing the commodities to Jewish Family Services of St. Louis (a Missouri corporation). No amounts have been reflected in the Jewish Family Services of St. Louis (a Missouri corporation) financial statements for the value of these commodities at December 31, 2022.

3. INDIRECT COST RATE

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

Jewish Family Services of St. Louis
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2022

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major programs:	

<u>Name of Federal Program or Cluster</u>	<u>AL Number</u>
Food Distribution Cluster: Commodity Supplemental Food Program	10.565
Food Distribution Cluster: The Emergency Food Assistance Program (Food Commodities)	10.569
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee?	Yes

Jewish Family Services of St. Louis
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2022

SECTION II - SUMMARY OF FINANCIAL STATEMENT FINDINGS

There are no financial statement findings to be reported.

SECTION III - SUMMARY OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are no federal award findings to be reported.

Jewish Family Services of St. Louis
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2022

There were no prior year findings.