

JEWISH FAMILY SERVICE OF THE DESERT
PALM SPRINGS, CALIFORNIA

INDEPENDENT AUDITORS' REPORT,
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

JUNE 30, 2021 AND 2020



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INDEPENDENT AUDITORS' REPORT

Board of Directors
Jewish Family Service of the Desert
Palm Springs, California

We have audited the accompanying statements of Jewish Family Service of the Desert (A California not-for-profit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. The prior year summarized information has been derived from the Organization's 2020 financial statements and, in our report dated September 21, 2020, we expressed an unqualified opinion on these 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 misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

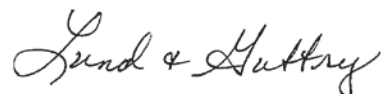
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to 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 of the Desert as of June 30, 2021 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.

Our audit was made primarily for the purpose of expressing an opinion on the basic financial statements, taken as a whole, shown on pages 3 – 13 of this report. The data included on pages 14 – 18 is presented primarily for supplemental analysis purposes. This supplementary information has been subjected to the audit procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



November 18, 2021

JEWISH FAMILY SERVICE OF THE DESERT

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2021

WITH COMPARATIVE TOTALS FOR JUNE 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>
	Operating Fund	All Funds
ASSETS		
Cash and cash equivalents	\$ 1,592,306	\$ 324,926
Investments	205,289	-
Accounts and grants receivable	81,821	-
Employee retention credit refund	54,403	-
Prepaid expenses	21,775	-
Prepaid mausoleum assets	1,000	-
Deposits	8,500	-
Furniture and equipment, net of \$63,336 accumulated depreciation	<u>29,843</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 1,994,937</u>	<u>\$ 324,926</u>
LIABILITIES		
Accounts payable	\$ 11,556	\$ -
Loan payable	-	-
Accrued vacation	60,997	-
Accrued expenses	71,131	-
Deferred revenue	<u>184,692</u>	<u>-</u>
Total liabilities	<u>328,376</u>	<u>-</u>
NET ASSETS		
Without donor restrictions	1,073,904	-
Without donor restrictions, Board designated	592,657	-
With donor restrictions	<u>-</u>	<u>324,926</u>
TOTAL NET ASSETS	<u>1,666,561</u>	<u>324,926</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,994,937</u>	<u>\$ 324,926</u>

(The accompanying notes are an integral part of these financial statements)

<u>2021</u>	<u>2020</u>	<u>Increase</u>
<u>Total</u>	<u>Memorandum</u> <u>Only</u>	<u>(Decrease)</u>
\$ 1,917,232	\$ 1,588,031	\$ 329,201
205,289	157,937	47,352
81,821	67,995	13,826
54,403	-	54,403
21,775	33,555	(11,780)
1,000	1,000	-
8,500	8,500	-
<u>29,843</u>	<u>41,538</u>	<u>(11,695)</u>
<u>\$ 2,319,863</u>	<u>\$ 1,898,556</u>	<u>\$ 421,307</u>
\$ 11,556	\$ 9,047	\$ 2,509
-	10,000	(10,000)
60,997	36,003	24,994
71,131	9,697	61,434
<u>184,692</u>	<u>266,596</u>	<u>(81,904)</u>
<u>328,376</u>	<u>331,343</u>	<u>(2,967)</u>
1,073,904	694,756	379,148
592,657	592,598	59
<u>324,926</u>	<u>279,859</u>	<u>45,067</u>
<u>1,991,487</u>	<u>1,567,213</u>	<u>424,274</u>
<u>\$ 2,319,863</u>	<u>\$ 1,898,556</u>	<u>\$ 421,307</u>

JEWISH FAMILY SERVICE OF THE DESERT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>
SUPPORT AND REVENUES		
Support		
Federation allocation	\$ -	\$ 125,000
United Way allocation	-	32,083
Grants	-	666,073
Contributions and bequests	<u>321,604</u>	<u>-</u>
Total support	<u>321,604</u>	<u>823,156</u>
Revenues		
Client fees	520,858	-
Special events, net of \$52,138 expense	555,773	-
Investment net income	<u>38,718</u>	<u>-</u>
Total revenue	<u>1,115,349</u>	<u>-</u>
Total support and revenues	<u>1,436,953</u>	<u>823,156</u>
RECLASSIFICATION		
Net assets released from restrictions	<u>778,089</u>	<u>(778,089)</u>
TOTAL SUPPORT, REVENUES AND RECLASSIFICATION	<u>2,215,042</u>	<u>45,067</u>
EXPENSES		
Program and grants	1,681,764	-
Management	88,119	-
Fund raising	<u>65,952</u>	<u>-</u>
Total expenses	<u>1,835,835</u>	<u>-</u>
INCREASE (DECREASE) IN NET ASSETS	<u>379,207</u>	<u>45,067</u>
NET ASSETS - BEGINNING OF YEAR	<u>1,287,354</u>	<u>279,859</u>
NET ASSETS - END OF YEAR	<u>\$ 1,666,561</u>	<u>\$ 324,926</u>

(The accompanying notes are an integral part of these financial statements)

2021	2020	
Total	Memorandum Only	Increase (Decrease)
\$ 125,000	\$ 150,000	\$ (25,000)
32,083	22,000	10,083
666,073	589,658	76,415
<u>321,604</u>	<u>62,051</u>	<u>259,553</u>
<u>1,144,760</u>	<u>823,709</u>	<u>321,051</u>
520,858	659,558	(138,700)
555,773	350,177	205,596
<u>38,718</u>	<u>(73,374)</u>	<u>112,092</u>
<u>1,115,349</u>	<u>936,361</u>	<u>178,988</u>
<u>2,260,109</u>	<u>1,760,070</u>	<u>500,039</u>
-	-	-
<u>2,260,109</u>	<u>1,760,070</u>	<u>500,039</u>
1,681,764	1,687,116	(5,352)
88,119	74,320	13,799
<u>65,952</u>	<u>53,719</u>	<u>12,233</u>
<u>1,835,835</u>	<u>1,815,155</u>	<u>20,680</u>
<u>424,274</u>	<u>(55,085)</u>	<u>479,359</u>
<u>1,567,213</u>	<u>1,622,298</u>	<u>(55,085)</u>
<u>\$ 1,991,487</u>	<u>\$ 1,567,213</u>	<u>\$ 424,274</u>

JEWISH FAMILY SERVICE OF THE DESERT
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020

	<u>Program and Grants</u>	<u>Management</u>	<u>Fund Raising</u>
OPERATING EXPENSES			
Payroll and benefits	\$ 1,232,063	\$ 67,696	\$ 54,157
Conferences and travel	-	556	-
Independent contractor	-	-	-
Insurance	15,455	849	679
Marketing and public relations	38,226	2,100	1,680
Membership dues	-	5,123	-
Office supplies	16,868	927	741
Office overhead	17,983	988	790
Professional fees	65,173	3,581	2,865
Program expenses	26,331	-	-
Rent	85,355	4,690	3,752
Telephone and utilities	12,977	713	570
Other	5,663	311	249
Grant expenses	155,027	-	-
Depreciation	10,642	585	468
TOTAL OPERATING EXPENSES	<u>\$ 1,681,764</u>	<u>\$ 88,119</u>	<u>\$ 65,952</u>

(The accompanying notes are an integral part of these financial statements)

2021	2020	
Total	Memorandum Only	Increase (Decrease)
\$ 1,353,915	\$ 1,072,465	\$ 281,450
556	1,712	(1,156)
-	296,581	(296,581)
16,984	16,737	247
42,007	31,712	10,295
5,123	5,459	(336)
18,536	15,027	3,509
19,762	32,921	(13,159)
71,619	61,060	10,559
26,331	10,073	16,258
93,797	92,846	951
14,260	8,162	6,098
6,223	5,458	765
155,027	158,334	(3,307)
11,695	6,608	5,087
<u>\$ 1,835,835</u>	<u>\$ 1,815,155</u>	<u>\$ 20,680</u>

JEWISH FAMILY SERVICE OF THE DESERT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020

	2021	2020
	Total	Memorandum Only
CASH FLOWS FROM		
OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 424,274	\$ (55,085)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	11,695	6,608
Unrealized (gains) losses on investments	(32,899)	107,687
Changes in operating assets and liabilities-		
Accounts and grants receivable	(13,826)	64,461
Employee retention credit refund	(54,403)	-
Prepaid expenses	11,780	16,846
Accounts payable	2,509	(16,362)
Accrued vacation	24,994	8,380
Accrued expenses	61,434	(77,450)
Deferred revenue	(81,904)	203,559
Net cash provided by operating activities	353,654	258,644
CASH FLOWS FROM		
INVESTING ACTIVITIES		
Purchase of equipment	-	(20,743)
Change in investments - net	(14,453)	123,525
Decrease in beneficial interest in Community Foundation	-	684,545
Net cash provided (used) by investing activities	(14,453)	787,327
CASH FLOWS FROM		
FINANCING ACTIVITIES		
Proceeds (payments) on loan payable	(10,000)	10,000
Net cash provided (used) by financing activities	(10,000)	10,000
NET INCREASE IN CASH	329,201	1,055,971
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,588,031	532,060
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 1,917,232	1,588,031
Decrease in beneficial interest in Community Foundation		

(The accompanying notes are an integral part of these financial statements)

JEWISH FAMILY SERVICE OF THE DESERT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

1) NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The purpose of the Jewish Family Service of the Desert (JFS) is to provide for the social service needs of the Jewish and general community throughout the greater Coachella Valley with a commitment to promote the well being of persons of all ages, income and lifestyles. It accomplishes its purposes by making available counseling services in addition to financial aid in times of need. Its sources of income consist of an allocation from the Jewish Federation of the Desert, counseling fees from clients, grants, special events and donations and as such, it is subject to various market conditions, which would affect those revenues from time to time.

Income Taxes

JFS is a not-for-profit corporation that is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3), and from California franchise taxes under related state tax regulations and classified by the Internal Revenue Service as other than a private foundation. JFS may be subject to tax on income from any unrelated business operations. JFS does not currently have any unrelated business operations.

JFS's Form 990, *Return of Organization Exempt from Income Tax* are subject to examination by the IRS, generally for three years after they were filed.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions

Net assets that are not subject to donor-imposed stipulations. The Board of Directors have designated funds of \$592,657 and \$592,598 at June 30, 2021, and June 30, 2020, respectively, consisting of operating reserves and amounts held in the Legacy Fund.

Net assets with donor restrictions

Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, donor restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. (See Note 5)

Contributions

Contributions received are recorded as unrestricted or restricted, depending on the existence and/or nature of donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of time or purpose restrictions.

JEWISH FAMILY SERVICE OF THE DESERT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

1) NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Investments

Investments, consisting of Equity Funds, are recorded at their fair market values.

Property and Equipment

Property and equipment are stated at cost, or fair market value at the date of donation. Depreciation is computed using the straight-line method over estimated useful lives ranging from five to seven years. The Organization has a minimum capitalization policy of \$1,000.

Cash and Cash Equivalents

JFS considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Use of Estimates

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

Memorandum Totals

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the prior year, from which the summarized information was derived.

2) LEASE COMMITMENTS

The Organization entered into an office lease in Palm Springs effective December 2015 and continues through January 2023. Rent commitments for the future years ended June 30 are as follows:

<u>Year Ended June 30,</u>	
2022	\$ 94,402
2023	<u>55,860</u>
	<u>\$150,262</u>

3) RETIREMENT PLAN

Jewish Family Service has a defined contribution pension plan with Mutual of America for its eligible employees. Employer contributions are made to the plan based on 5% of each employee's gross compensation. Contributions to the plan for the years ended June 30, 2021 and 2020 were \$50,410 and \$44,546, respectively. Additionally, the Jewish Family Service offers a voluntary salary reduction deferred annuity program to all employees.

JEWISH FAMILY SERVICE OF THE DESERT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

4) DONATED SERVICES

Jewish Family Service has received significant donated services from volunteers which include public relations assistance, office support, and program services. Management has estimated these volunteer hours to be 4,473 and 2,830 for the years ended June 30, 2021 and 2020, respectively. These donated services are not reflected in the financial statements as no objective basis is available to measure the value.

5) DONOR RESTRICTED NET ASSETS

Jewish Family Service receives restricted donations and grants during the year. The restrictions of \$324,926 at June 30, 2021 are as follows:

Campership – Donor imposed restrictions specified JFS use donations for the purposes of sponsoring needy children to attend summer camp. As of June 30, 2021, JFS had \$23,936 in restricted net assets for such purpose.

Emergency Assistance – Donor imposed restrictions specified JFS use donations to provide emergency funding to help people in times of need. As of June 30, 2021, JFS had \$1,029 in restricted net assets for such purpose.

Auen Foundation – Donor imposed restrictions specified JFS use donations to provide emergency funding to help people in times of need. As of June 30, 2021, JFS had \$20,066 in restricted net assets for such purpose.

Angel Fund – Donor (various/anonymous) imposed restrictions specified JFS use donations to provide emergency funding to help people in times of need. As of June 30, 2021, JFS had \$5,271 in restricted net assets for such purpose.

G. Broad Grant – Donor imposed restrictions specified JFS use donations for operating support for the next fiscal year. As of June 30, 2021, JFS had \$60,000 in restricted net assets for such purposes.

Mitzvah Circle – Donor imposed restrictions specified JFS to use donations for needy families during significant Jewish holidays. As of June 30, 2021, JFS had \$250 in restricted net assets for such purposes.

Auxiliary Fund – Donor imposed restrictions specified JFS use donations to take on projects that benefit the community and populations served by JFS. As of June 30, 2021, JFS had \$17,416 in restricted net assets for such purposes.

The SCAN Foundation Grant – Donor imposed restrictions specified JFS use donations to provide emergency funding to help people in times of need. As of June 30, 2021, JFS had \$18,424 in restricted net assets for such purpose.

Pacific Western Bank Grant – Donor imposed restrictions specified JFS use donations for operating support of Case Management program for the next fiscal year. As of June 30, 2021, JFS had \$10,000 in restricted net assets for such purposes.

JEWISH FAMILY SERVICE OF THE DESERT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

5) DONOR RESTRICTED NET ASSETS – (continued)

BigHorn Cares Grant – Donor imposed restrictions specified JFS use donations for operating support of Case Management and Let's Do Lunch programs for the next fiscal year. As of June 30, 2021, JFS had \$6,500 in restricted net assets for such purposes.

Union Bank Emergency Assistance Grant – Donor imposed restrictions specified JFS use donations to provide emergency funding to help people in times of need. As of June 30, 2021, JFS had \$2,523 in temporarily restricted net assets for such purpose.

Agua Caliente Emergency Assistance Grant – Donor imposed restrictions specified JFS use donations to provide emergency funding to help people in times of need. As of June 30, 2021, JFS had \$3,975 in temporarily restricted net assets for such purpose.

Keats/Fogelson Family Assistance Program Grant – Donor imposed restrictions specified JFS use donations to provide emergency funding to help families in times of need. As of June 30, 2021, JFS had \$78,000 in temporarily restricted net assets for such purpose.

Desert Oasis Healthcare Grant – Donor imposed restrictions specified JFS use donations for operating support of Let's Do Lunch program for the next fiscal year. As of June 30, 2021, JFS had \$317 in temporarily restricted net assets for such purposes.

Desert Healthcare District Grant – Donor imposed restrictions specified JFS use donations for operating support of Mental Health Counseling program for the next fiscal year. As of June 30, 2021, JFS had \$36,000 in temporarily restricted net assets for such purposes.

San Manuel Band of Mission Indians Grant – Donor imposed restrictions specified JFS use donations for operating support of Mental Health Counseling program for the next fiscal year. As of June 30, 2021, JFS had \$5,000 in temporarily restricted net assets for such purposes.

CV Wellness Grant – Donor imposed restrictions specified JFS use donations for operating support of Case Management program for the next fiscal year. As of June 30, 2021, JFS had \$2,500 in temporarily restricted net assets for such purposes.

RAP/James Irvine Foundation Grant – Donor imposed restrictions specified JFS use donations for operating support of Mental Health Counseling program for the next fiscal year. As of June 30, 2021, JFS had \$4,720 in temporarily restricted net assets for such purposes.

G Helen Spearman Foundation Grant – Donor imposed restrictions specified JFS use donations for operating support of Case Management program for the next fiscal year. As of June 30, 2021, JFS had \$4,000 in temporarily restricted net assets for such purposes.

State of CA – Relief Fund – Donor imposed restrictions specified JFS use donations for COVID-19 related operating support for the next fiscal year. As of June 30, 2021, JFS had \$25,000 in temporarily restricted net assets for such purpose.

JEWISH FAMILY SERVICE OF THE DESERT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

6) INVESTMENTS

Investments cost and fair value at June 30, 2021 and 2020 are as follows:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (loss)</u>
<u>2021</u>			
Equity Funds	\$ 145,272	\$ 205,289	\$ 60,017
Total	<u>\$ 145,272</u>	<u>\$ 205,289</u>	<u>\$ 60,017</u>
<u>2020</u>			
Equity Funds	\$ 132,020	\$ 157,937	\$ 25,917
Total	<u>\$ 132,020</u>	<u>\$ 157,937</u>	<u>\$ 25,917</u>

Unrealized gains (losses) \$32,899 and \$(107,687)) and realized gains (\$0 and \$6,695) are included in investment net income for the years ended June 30, 2021 and 2020, respectively.

Fair Value Hierarchy

JFS applies Generally Accepted Accounting Principles (GAAP) for fair value measurements of financial assets that are recognized or disclosed at fair value in the financial statements on a recurring basis.

GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. At June 30, 2021 and 2020, all investments are measured at fair value on a recurring basis and were valued at Level 1 inputs (quoted prices in active markets for identical assets).

JEWISH FAMILY SERVICE OF THE DESERT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

7) DEFERRED REVENUE

Deferred revenue consists of the following at June 30:

	<u>2021</u>	<u>2020</u>
Patron Party sponsorship advance collections	\$ 37,600	\$ 60,050
Daryl Davis March 2020 donations/sponsorships deferred collections	109,010	118,110
Other events donations/sponsorships advance collections	12,582	60,000
Major gifts advance collections	25,000	25,000
Other	<u>500</u>	<u>3,536</u>
Total	<u>\$ 184,692</u>	<u>\$ 266,696</u>

8) LEGACY FUND

The Legacy fund is a quasi-endowment fund which professionally manages donor contributions. This gives the Organization the ability to generate investment earnings for drawdown into one of four programs or reinvestment to grow the fund. Donors indicate which of the four program areas they would like the quarterly earnings directed to: either mental health, children and families, seniors or where most needed. Balances held at June 30, 2021 and 2020 amounted to \$592,657 and \$592,598, respectively.

9) UNCERTAINTIES

As a result of the COVID-19 coronavirus pandemic, economic uncertainties have arisen which had an impact on the year ended June 30, 2021.

In May 2020 the Organization received a Paycheck Protection Program loan in the amount of \$176,992. This loan was offered to qualifying small businesses in order to provide financial assistance during the COVID-19 crisis and is to be used to cover payroll costs and other qualifying expenses. Under the terms of this loan, the loan will be forgiven in full provided it is used to pay for qualifying expenses. As of June 30, 2020, management had determined that \$99,708 of the funds received under this loan were fully expended for qualifying items and as such has reflected this forgivable loan as grant income on the statement of financial activities during the year ended June 30, 2020. The remaining \$77,284 of funds were spent on qualifying expenses during the month of July 2020 and were reflected as “donor restricted funds” at June 30, 2020 (see note 5) and recognized in unrestricted income during the year ended June 30, 2021.

In April 2021, the Organization received a 2nd Paycheck Protection Program loan in the amount of \$192,222. As of June 30, 2021, management has determined that the funds received under this loan were fully expended for qualifying expenses and have recognized the entire amount in unrestricted income during the year ended June 30, 2021.

Management anticipates economic uncertainties associated with the COVID-19 coronavirus pandemic are likely to continue to negatively impact operating revenues. The related financial impact and duration cannot be reasonably estimated at this time.

JEWISH FAMILY SERVICE OF THE DESERT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

10) EMPLOYEE RETENTION CREDIT

Due to the economic condition many companies faced during this crisis, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, was signed into law allowing for a refundable tax credit called the Employee Retention Credit (ERC). The purpose of the credit is to encourage businesses to keep employees on their payroll. In 2020, the credit applied to qualified wages paid after March 12, 2020 and before January 1, 2021.

In December 2020, the government extended the ERC into 2021 and increased it to \$7,000 on qualifying wages for each employee for each of the first two quarters of 2021. The credit also increased the number of employees qualifying for the credit by allowing employers to submit the credit for all qualifying wages for companies with under 500 employees (previously 100 employees). This increase allowed the Organization to submit for the credit for all employees working during the time period in which the government mandated limitations on operations referred to as partial suspension through June 15, 2021. The total credit was recently calculated by the payroll service and the only quarter that applied was June 30, 2020. This credit amounted to \$54,403 and has been netted with payroll taxes during the year ended June 30, 2021.

11) LIQUIDITY

The Organization's financial assets available within one year of the Statement of Financial Position date for general expenditure are as follows:

Cash	\$ 1,592,306
Investments	205,289
Accounts receivable	81,821
Employee retention credit refund	<u>54,403</u>
Total	<u>\$ 1,933,819</u>

The Board of Directors has a designated Reserve Fund held in the Legacy Fund (see note 8). These funds may be drawn upon in the event of an unanticipated liquidity need. Additionally, the Organization is committed to investing liquid assets conservatively. Income from donor-restricted sources is restricted for specific purposes and therefore, is not available for general expenditure.

12) SUBSEQUENT EVENTS

The Organization evaluated all potential subsequent events as of November 18, 2021 when the financial statements were authorized and available to be issued. No subsequent events or transactions were identified after June 30, 2021 or as of November 18, 2021 that require disclosure to the financial statements.

SUPPLEMENTARY INFORMATION

JEWISH FAMILY SERVICE OF THE DESERT
SCHEDULE OF SPECIAL EVENTS
FOR THE YEAR ENDED JUNE 30, 2021

PATRON EVENT

<u>Revenue</u>	<u>\$ 429,474</u>	
<u>Expenses</u>		
Catering - In-kind	13,232	
Invitations and postage	6,449	
Miscellaneous	<u>10,383</u>	
Total Expenses	<u>30,064</u>	
NET REVENUE FROM PATRON EVENT		<u><u>\$ 399,410</u></u>

OTHER EVENTS

<u>Revenue</u>	<u>\$ 178,437</u>	
<u>Expenses</u>		
Miscellaneous	<u>22,074</u>	
Total Expenses	<u>22,074</u>	
NET REVENUE FROM OTHER EVENTS		<u><u>\$ 156,363</u></u>
NET REVENUE FROM SPECIAL EVENTS		<u><u>\$ 555,773</u></u>

(The accompanying notes are an integral part of these financial statements)

JEWISH FAMILY SERVICE OF THE DESERT
SCHEDULE OF OPERATING FUND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

PAYROLL

Administrative	\$ 20,499 *
Counseling	691,821
Case Management	221,592
Community Programs	91,753
Marketing	34,203
Special Events	<u>50,071</u>
Total	<u>1,109,939</u>

PAYROLL TAXES AND BENEFITS

Payroll Taxes	94,954
Employee retention credit refund	(54,403)
Retirement	50,410
Health Insurance	114,686
Workers Compensation	9,234
Other Payroll and Vacation Adjustments	<u>29,095</u>
Total	<u>243,976</u>

Total payroll and benefits	<u><u>\$ 1,353,915</u></u>
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* Administrative salaries of \$20,499 consists of Executive Director, Clinical Director, Clerical, Office Manager, Accounting and Client Coordinator.

(The accompanying notes are an integral part of these financial statements)

JEWISH FAMILY SERVICE OF THE DESERT
SCHEDULE OF OPERATING FUND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

-CONTINUED-

CONFERENCES AND TRAVEL

Automotive expense	\$ 132
Other meetings & conferences	<u>424</u>
Total	<u><u>\$ 556</u></u>

INSURANCE

Umbrella	\$ 5,637
General liability	7,442
Directors and officers liability	3,978
Other	<u>(73)</u>
Total	<u><u>\$ 16,984</u></u>

MARKETING AND PUBLIC RELATIONS

Public relations contractor	\$ 15,000
Miscellaneous	<u>27,007</u>
Total	<u><u>\$ 42,007</u></u>

(The accompanying notes are an integral part of these financial statements)

JEWISH FAMILY SERVICE OF THE DESERT
SCHEDULE OF OPERATING FUND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

-CONTINUED-

MEMBERSHIP DUES

AJF & CA dues	\$ 5,123
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OFFICE SUPPLIES

Photocopy/fax machine meter charge and supplies	\$ 5,537
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Postage	5,158
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Office supplies	6,619
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Printing	<u>1,222</u>
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Total	<u>\$ 18,536</u>
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OFFICE OVERHEAD

Equipment maintenance	\$ 11,826
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Answering service	2,295
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Miscellaneous	<u>5,641</u>
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Total	<u>\$ 19,762</u>
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PROFESSIONAL FEES

Audit	\$ 13,120
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Grant Writer	<u>58,499</u>
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Total	<u>\$ 71,619</u>
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PROGRAM EXPENSES

Various program expenses	<u>\$ 26,331</u>
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(The accompanying notes are an integral part of these financial statements)

JEWISH FAMILY SERVICE OF THE DESERT
SCHEDULE OF OPERATING FUND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

-CONTINUED-

RENT

Rent	\$ 93,797
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TELEPHONE AND UTILITIES

Telephone	\$ 14,260
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OTHER

Bank charges	\$ 4,367
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Miscellaneous	1,856
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Total	\$ 6,223
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GRANT EXPENSES (non-payroll and benefits)

Grant expenses -other	\$ 155,027
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DEPRECIATION

Depreciation	\$ 11,695
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(The accompanying notes are an integral part of these financial statements)