

Jewish Family Service of San Diego

Consolidated Financial Statements and Supplemental Information

Years Ended June 30, 2021 and 2020



JEWISH FAMILY SERVICE OF SAN DIEGO

Consolidated Financial Statements and Supplemental Information

Years Ended June 30, 2021 and 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Jewish Family Service of San Diego
San Diego, California

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Jewish Family Service of San Diego (a nonprofit organization), which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' 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 consolidated 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 consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Jewish Family Service of San Diego as of June 30, 2021 and 2020, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT, CONTINUED

Other Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The consolidating statements of financial position and consolidating statements of activities are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2021 on our consideration of Jewish Family Service of San Diego's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Jewish Family Service of San Diego'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 Jewish Family Service of San Diego's internal control over financial reporting and compliance.

Emphasis of Matter

As discussed in Note 2 to the consolidated financial statements, Jewish Family Service of San Diego adopted Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (Topic 606) on July 1, 2020. Our opinion is not modified with respect to this matter.

Aldrich CPAs + Advisors LLP

San Diego, California
December 15, 2021

JEWISH FAMILY SERVICE OF SAN DIEGO
Consolidated Statements of Financial Position
June 30, 2021 and 2020

	2021	2020
ASSETS		
Cash	\$ 20,760,733	\$ 11,540,492
Accounts Receivable, net of allowance for doubtful accounts of \$57,550	157,956	87,188
Contract Asset Vehicle Sales Receivables, net of allowance for doubtful accounts of \$69,727	2,622,121	1,900,652
Grants and Contracts Receivable (Note 4)	8,612,096	4,837,442
Unconditional Promises to Give, net (Note 5)	3,396,804	5,614,787
Investments (Note 6)	16,150,848	11,148,558
Investment in KLA Holdings, LLC (Note 7)	77,494	69,733
Prepaid Expenses and Other Assets	1,904,390	913,822
Intangible Assets (Note 8)	1,045,674	1,236,174
Related Party Receivables	20,322	54,846
Land, Buildings, and Equipment, net (Note 9)	16,290,965	16,525,937
Beneficial Interests in Endowment Funds (Note 10)	10,848,105	8,759,423
	<u>81,887,508</u>	<u>62,689,054</u>
Total Assets	\$ <u>81,887,508</u>	\$ <u>62,689,054</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 3,404,360	\$ 1,300,080
Line of credit	50,000	50,000
Accrued expenses	7,646,607	5,614,062
Related party note payable	-	25,500
Unearned revenue	3,836,649	1,558,900
Notes payable (Note 11)	3,487,516	4,939,433
Deferred compensation (Note 12)	442,330	399,648
	<u>18,867,462</u>	<u>13,887,623</u>
Total Liabilities	18,867,462	13,887,623
Net Assets:		
Without donor restrictions:		
Operating	39,220,084	26,743,035
Board designated	10,709,039	8,707,723
Total Without Donor Restrictions	<u>49,929,123</u>	<u>35,450,758</u>
With donor restrictions	13,090,923	13,350,673
	<u>63,020,046</u>	<u>48,801,431</u>
Total Net Assets	63,020,046	48,801,431
	<u>81,887,508</u>	<u>62,689,054</u>
Total Liabilities and Net Assets	\$ <u>81,887,508</u>	\$ <u>62,689,054</u>

See accompanying notes to consolidated financial statements.

JEWISH FAMILY SERVICE OF SAN DIEGO**Consolidated Statement of Activities**

Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Charitable vehicle sales and fees	\$ 29,574,442	\$ -	\$ 29,574,442
Government contracts	21,236,898	-	21,236,898
Grants and contributions	11,468,190	1,840,295	13,308,485
Investment return	4,218,096	1,499,801	5,717,897
Program revenue	1,856,199	-	1,856,199
Paycheck Protection Program loan forgiveness	1,058,904	-	1,058,904
Fees and other revenue	213,948	-	213,948
Net assets released from restrictions	3,599,846	(3,599,846)	-
Total Support and Revenue	73,226,523	(259,750)	72,966,773
Expenses:			
Program Services:			
Aging with Dignity	8,220,895	-	8,220,895
Basic Needs and Stability	22,909,710	-	22,909,710
Community Connections	1,467,568	-	1,467,568
Vehicle donation	16,603,424	-	16,603,424
Total Program Services	49,201,597	-	49,201,597
Supporting Services:			
General and administrative	4,569,450	-	4,569,450
Fundraising	4,977,111	-	4,977,111
Total Supporting Services	9,546,561	-	9,546,561
Total Expenses	58,748,158	-	58,748,158
Change in Net Assets	14,478,365	(259,750)	14,218,615
Net Assets, beginning	35,450,758	13,350,673	48,801,431
Net Assets, ending	\$ 49,929,123	\$ 13,090,923	\$ 63,020,046

JEWISH FAMILY SERVICE OF SAN DIEGO**Consolidated Statement of Activities**

Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Charitable vehicle sales and fees	\$ 17,409,900	\$ -	\$ 17,409,900
Government contracts	16,665,713	-	16,665,713
Grants and contributions	10,251,080	2,309,771	12,560,851
Program revenue	1,557,501	-	1,557,501
Investment return	434,593	5,030	439,623
Fees and other revenue	98,564	-	98,564
Net assets released from restrictions	3,193,237	(3,193,237)	-
Total Support and Revenue	49,610,588	(878,436)	48,732,152
Expenses:			
Program Services:			
Aging with Dignity	6,234,950	-	6,234,950
Basic Needs and Stability	18,981,276	-	18,981,276
Community Connections	1,493,022	-	1,493,022
Vehicle donation	11,479,062	-	11,479,062
Total Program Services	38,188,310	-	38,188,310
Supporting Services:			
General and administrative	4,182,296	-	4,182,296
Fundraising	4,423,524	-	4,423,524
Total Supporting Services	8,605,820	-	8,605,820
Total Expenses	46,794,130	-	46,794,130
Change in Net Assets	2,816,458	(878,436)	1,938,022
Net Assets, beginning	32,634,300	14,229,109	46,863,409
Net Assets, ending	\$ 35,450,758	\$ 13,350,673	\$ 48,801,431

JEWISH FAMILY SERVICE OF SAN DIEGO
Consolidated Statement of Functional Expenses
Year Ended June 30, 2021

	Program Services					Supporting Services		Total
	Aging with Dignity	Basic Needs and Stability	Community Connections	Vehicle Donation	Total Program	General and Administrative	Fundraising	Expense
Salaries and Related Expenses:								
Salaries and wages	\$ 2,840,119	\$ 8,253,800	\$ 935,104	\$ 5,198,833	\$ 17,227,856	\$ 2,435,782	\$ 2,770,390	\$ 22,434,028
Payroll taxes	226,433	655,320	74,181	379,842	1,335,776	187,960	208,961	1,732,697
Employee benefits	606,449	1,367,549	137,250	764,728	2,875,976	365,249	345,685	3,586,910
Total Salaries and Related Expenses	3,673,001	10,276,669	1,146,535	6,343,403	21,439,608	2,988,991	3,325,036	27,753,635
Nonsalary Related Expenses:								
Advertising and promotion	16,578	25,175	3,542	453,241	498,536	7,459	143,333	649,328
Bad debts	168	-	-	-	168	-	4,000	4,168
Bank fees and payroll processing	6,036	7,965	670	197,382	212,053	137,775	36,495	386,323
Consultants	-	-	-	190,811	190,811	25,020	50,218	266,049
Contributions	6,916	33,510	-	6,201	46,627	-	50	46,677
Depreciation and amortization	286,727	496,975	65,104	270,151	1,118,957	98,558	300,526	1,518,041
Emergency assistance	540,025	6,135,800	65,592	-	6,741,417	60	-	6,741,477
Equipment rental and expense	133,032	464,111	13,319	56,534	666,996	57,344	40,417	764,757
Fundraising	-	-	-	-	-	-	29,993	29,993
Holocaust home care	1,292,026	-	-	-	1,292,026	-	-	1,292,026
Insurance	97,816	205,295	13,592	46,587	363,290	145,333	16,710	525,333
Interest expense	-	1,901	-	7,554	9,455	-	-	9,455
Legal, accounting and audit	4,000	29,411	-	30,628	64,039	207,660	20,977	292,676
Memberships/subscriptions	16,166	52,634	3,452	7,477	79,729	103,482	8,969	192,180
Miscellaneous	5,649	13,067	919	71,539	91,174	39,900	13,448	144,522
Office and computer supplies	40,961	113,289	59,953	141,974	356,177	104,517	135,975	596,669
Postage	5,353	37,311	1,663	38,902	83,229	7,282	22,123	112,634
Printing	5,730	31,778	674	9,433	47,615	1,785	59,710	109,110
Professional fees	278,650	704,740	30,407	1,086,156	2,099,953	225,245	484,464	2,809,662
Program expenses	1,435,061	694,792	2,048	4,244,474	6,376,375	128,210	960	6,505,545
Property and other taxes	-	1,498	-	494,708	496,206	(286)	1,907	497,827
Rent	14,792	1,077,026	7,148	682,258	1,781,224	37,287	54,379	1,872,890
Repairs and maintenance	47,387	245,212	10,936	285,780	589,315	43,384	35,956	668,655
Staff development	6,581	98,923	1,691	25,528	132,723	34,842	43,110	210,675
Subcontractor fees	14,031	1,424,528	15,934	1,485,200	2,939,693	19,168	6,440	2,965,301
Telephone	136,908	370,833	18,014	285,954	811,709	131,636	95,163	1,038,508
Transportation service	93,529	71,832	-	5,325	170,686	935	1,441	173,062
Travel and entertainment	36,973	61,032	1,859	60,947	160,811	12,580	32,655	206,046
Utilities	26,799	234,403	4,516	75,277	340,995	11,283	12,656	364,934
Total Nonsalary Related Expenses	4,547,894	12,633,041	321,033	10,260,021	27,761,989	1,580,459	1,652,075	30,994,523
Total Functional Expenses	\$ 8,220,895	\$ 22,909,710	\$ 1,467,568	\$ 16,603,424	\$ 49,201,597	\$ 4,569,450	\$ 4,977,111	\$ 58,748,158

See accompanying notes to consolidated financial statements.

JEWISH FAMILY SERVICE OF SAN DIEGO
Consolidated Statement of Functional Expenses
Year Ended June 30, 2020

	Program Services					Supporting Services		Total
	Aging with Dignity	Basic Needs and Stability	Community Connections	Vehicle Donation	Total Program	General and Administrative	Fundraising	Expense
Salaries and Related Expenses:								
Salaries and wages	\$ 2,379,932	\$ 7,509,332	\$ 934,990	\$ 3,879,851	\$ 14,704,105	\$ 2,351,753	\$ 2,118,246	\$ 19,174,104
Payroll taxes	191,424	601,636	72,654	312,114	1,177,828	180,963	158,993	1,517,784
Employee benefits	493,437	1,277,751	128,983	580,219	2,480,390	350,019	260,855	3,091,264
Total Salaries and Related Expenses	3,064,793	9,388,719	1,136,627	4,772,184	18,362,323	2,882,735	2,538,094	23,783,152
Nonsalary Related Expenses:								
Advertising and promotion	11,850	7,030	12,526	403,584	434,990	6,877	176,551	618,418
Bad debts	1,706	-	-	-	1,706	-	76,073	77,779
Bank fees and payroll processing	10,252	10,289	700	91,262	112,503	116,521	38,678	267,702
Conferences and meetings	-	-	-	-	-	-	9,468	9,468
Consultants	-	-	-	166,387	166,387	29,132	45,021	240,540
Contributions	25,829	4,235	-	5,470	35,534	927	-	36,461
Depreciation and amortization	235,899	441,084	72,835	259,797	1,009,615	117,210	302,346	1,429,171
Emergency assistance	155,832	1,159,730	12,700	-	1,328,262	-	-	1,328,262
Equipment rental and expense	72,736	381,907	21,456	25,589	501,688	48,747	29,458	579,893
Fundraising	-	-	-	-	-	779	88,536	89,315
Holocaust home care	965,716	275	-	-	965,991	-	-	965,991
Insurance	52,788	113,083	8,539	30,105	204,515	224,400	7,754	436,669
Interest expense	-	2,559	-	12,560	15,119	7,347	-	22,466
Legal, accounting and audit	8,603	25,277	820	24,892	59,592	129,617	4,336	193,545
Memberships and subscriptions	16,347	46,625	3,509	9,148	75,629	57,316	7,179	140,124
Miscellaneous	5,627	15,961	3,321	61,064	85,973	14,753	12,801	113,527
Office and computer supplies	35,531	133,537	60,006	99,405	328,479	39,358	133,993	501,830
Postage	4,559	45,809	1,144	31,715	83,227	6,935	21,818	111,980
Printing	17,541	31,004	3,720	3,977	56,242	1,953	66,260	124,455
Professional fees	329,392	708,600	64,775	796,137	1,898,904	267,470	502,759	2,669,133
Program expenses	754,494	558,164	11,215	2,613,629	3,937,502	665	2,124	3,940,291
Property and other taxes	-	848	-	215,997	216,845	4,458	1,419	222,722
Rent	46,127	820,818	7,537	596,020	1,470,502	43,127	51,489	1,565,118
Repairs and maintenance	38,970	613,750	14,235	122,590	789,545	43,150	45,193	877,888
Staff development	7,842	47,972	1,197	11,022	68,033	24,768	37,227	130,028
Subcontractor fees	36,264	3,783,820	29,548	715,371	4,565,003	12,913	11,427	4,589,343
Telephone	100,747	217,059	15,095	224,154	557,055	56,316	76,184	689,555
Transportation service	142,122	64,819	17	7,920	214,878	1,825	2,223	218,926
Travel and entertainment	78,115	107,781	6,686	125,067	317,649	32,890	123,974	474,513
Utilities	15,268	250,521	4,814	54,016	324,619	10,107	11,139	345,865
Total Nonsalary Related Expenses	3,170,157	9,592,557	356,395	6,706,878	19,825,987	1,299,561	1,885,430	23,010,978
Total Functional Expenses	\$ 6,234,950	\$ 18,981,276	\$ 1,493,022	\$ 11,479,062	\$ 38,188,310	\$ 4,182,296	\$ 4,423,524	\$ 46,794,130

See accompanying notes to consolidated financial statements.

JEWISH FAMILY SERVICE OF SAN DIEGO**Consolidated Statements of Cash Flows**

Years Ended June 30, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities:		
Change in net assets	\$ 14,218,615	\$ 1,938,023
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,518,041	1,429,171
Bad debt allowance	4,168	77,779
Loss on disposal of property	15,922	5,817
Net unrealized (gain) loss on investments	(4,392,424)	43,702
Contributions restricted to long-term purposes	-	(2,500)
Forgiveness of Paycheck Protection Program loans	(1,058,904)	-
Changes in operating assets and liabilities:		
Accounts receivable, net	(792,237)	207,738
Grants and contracts receivable	(3,774,654)	(456,467)
Prepaid expenses and other assets	(990,568)	(112,007)
Unconditional promises to give, net	2,213,815	533,969
Related party note receivable	34,524	(54,846)
Accounts payable	2,104,280	(288,230)
Accrued expenses	2,032,545	1,548,642
Unearned revenue	2,277,749	861,534
Deferred compensation	-	(6,001)
Net Cash Provided by Operating Activities	13,410,872	5,726,324
Cash Flows from Investing Activities:		
Purchases of investments	(8,853,722)	(1,779,062)
Sales of investments	5,897,239	870,946
Purchase of intangible assets	-	(27,884)
Purchases of land, buildings, and equipment	(1,111,991)	(1,193,233)
Proceeds from sale of land, buildings, and equipment	3,500	44,450
Distributions from beneficial interest	544,100	541,092
Contributions invested in beneficial interest	(251,244)	(190,818)
Net Cash Used by Investing Activities	(3,772,118)	(1,734,509)
Cash Flows from Financing Activities:		
Proceeds from contributions restricted for endowment	-	2,500
Proceeds from borrowing on related party note payable	-	10,000
Payments on related party notes payable	(25,500)	(4,500)
Payments on notes payable	(420,295)	(718,626)
Proceeds from note payable	27,282	4,015,705
Net Cash Provided (Used) by Financing Activities	(418,513)	3,305,079
Net Increase in Cash	9,220,241	7,296,894
Cash, beginning	11,540,492	4,243,598
Cash, ending	\$ 20,760,733	\$ 11,540,492

See accompanying notes to consolidated financial statements.

JEWISH FAMILY SERVICE OF SAN DIEGO

Notes to Consolidated Financial Statements

Years Ended June 30, 2021 and 2020

Note 1 - Organization

Jewish Family Service of San Diego (JFS) is a California 501(c)(3) nonprofit organization founded in 1918 by a consortium of women's clubs who sought to address the myriad of human needs of the time. Today, JFS is a comprehensive human service organization providing services in both San Diego County and Riverside. From its early grassroots origins, the agency now serves over 46,000 people annually.

Jewish Family Service partners with people of all backgrounds to build stable and dignified lives. Together, we create a stronger and healthier community where everyone can thrive.

Rady JFS Foundation, a California, 501(c)(3) nonprofit, is a wholly owned subsidiary of JFS was organized August 9, 2019. The Foundation was formed under the Nonprofit Public Benefit Corporation Law for charitable purposes. The specific purpose of this corporation is to support the charitable mission, purpose and activities of Jewish Family Service of San Diego.

JFS Foundation, LLC (Foundation), a California 501(c)(3) nonprofit, is a wholly owned subsidiary of JFS and was organized on March 28, 2006. The Foundation was formed to raise funds for JFS through "The Building on a Tradition of Caring Capital Campaign" with a goal to fund the purchase and renovation of the headquarters building and endowing a portion of Older Adult Services.

JFS Holdings, LLC (Holdings), a California 501(c)(3) nonprofit, is a wholly owned subsidiary of JFS and was organized on March 28, 2006. Holdings was formed to acquire and renovate the headquarters building.

8788 Balboa Avenue, LLC (Balboa), a California 501(c)(3) nonprofit, is a wholly owned subsidiary of JFS and was organized on December 7, 2012. Balboa was formed to acquire and renovate the 8788 Balboa Avenue building.

Hand Up Lending, LLC (HUL), is a wholly owned subsidiary of JFS and was organized on July 27, 2015. HUL was formed to assist individuals with challenged credit to build, repair, and support their sufficiency in line with the overall JFS mission.

Charitable Auto Resources, Inc. (CARS), a California, 501(c)(3) nonprofit, is a wholly owned subsidiary of JFS and was incorporated in Delaware on October 14, 2003 as a for-profit corporation. CARS was a service-oriented car donation management company based in San Diego, California, but has not engaged in any new business activities since the year ended June 30, 2015.

Charitable Adult Rides & Services, Inc. (CARS Nonprofit) is a wholly owned subsidiary of JFS and was incorporated in California as a nonprofit public benefit corporation on December 21, 2010. The specific purpose of CARS Nonprofit is to serve the transportation needs of older adults who are unable to drive, through shuttles, group transportation, excursions, taxi script, volunteer driver programs, car donations to provide transportation and fund the program, and to assist other charities' fundraising efforts through vehicle donation programs.

Capital City Auto Auction, Inc. (CCAA) is a wholly owned subsidiary of CARS Nonprofit and was incorporated in California on May 27, 2016 as a for-profit corporation. CCAA auctions donated vehicles to dealers and the public in the Sacramento, California metropolitan area. A significant portion of the vehicles CCAA auctions are assigned for sale by CARS Nonprofit through its relationships managing other nonprofits' vehicle donation programs.

Charitable Auto Recycling, Inc. (Recycling) is a wholly owned subsidiary of CARS Nonprofit and was incorporated in California on July 12, 2018 as a for-profit corporation. Recycling auctions donated vehicles to dealers and the public in the Austin, Texas metropolitan area. A significant portion of the vehicles Recycling auctions are assigned for sale by CARS Nonprofit through its relationships managing other nonprofits' vehicle donation programs.

Express Auto Auction, Inc. (Express) is a wholly owned subsidiary of CARS Nonprofit and was incorporated in California on August 16, 2019 as a for-profit corporation. Express auctions donated vehicles to dealers in the San Diego, California metropolitan area. A significant portion of the vehicles Express auctions are assigned for sale by CARS Nonprofit through its relationships managing other nonprofits' vehicle donation programs.

JEWISH FAMILY SERVICE OF SAN DIEGO

Notes to Consolidated Financial Statements

Years Ended June 30, 2021 and 2020

Note 1 - Organization, continued

The 11 entities listed above are consolidated as of and for the years ended June 30, 2021 and 2021 and they will be referred to as the "Organization."

For 13 consecutive years, JFS has been awarded a 4-Star rating by Charity Navigator in recognition of the agency's ability to effectively manage and grow its resources and to execute its mission in an exemplary fiscal manner. Nationally, only 1% of all charities rated have achieved this "exceptional" rating for 13 consecutive years, distinguishing JFS as a responsible steward of the public trust.

JFS Programs Include:

BASIC NEEDS AND STABILITY

Breast Cancer Case Management - Breast Cancer Case Management (BCCM) works with clients to increase access to resources to support the physical, mental, financial, and social well-being during all stages of diagnosis, treatment, and recovery. The only program of its kind in San Diego County, BCCM utilizes an intensive medical case management model. The case manager meets with women in the comfort of their own homes to provide emotional support, resource coordination, financial assistance, and help navigating the healthcare system throughout the course of treatment. Women with adequate support services already in place are able to access financial support services to help address the economic impact of a breast cancer diagnosis and to ensure that they and their families can weather the financial impact of treatment and recovery.

Community Case Management - Community Case Management (CCM) provides critical assistance to individuals and families in crisis to help them improve their standard of living, prevent reoccurring crises, and increase stability. CCM Case Managers work in partnership with clients to strengthen their skills for financial stability as well as their emotional, physical, and social by developing personalized action plans to address financial challenges, mental health and other challenges. CCM provides emergency food, financial assistance, and referrals for housing, legal, and health resources, if needed, and works closely with other JFS services across the Organization.

Clinical Counseling - JFS provides individual and group counseling for teens, adults, couples, and families. Our therapists specialize in working with people suffering from mood and anxiety disorders, survivors of violence, and older adults with challenges related to the aging process. Therapists work in partnership with clients to strengthen coping skills, build strategies to overcome disorders such as depression and anxiety, and increase stability. Clinical Counseling at JFS increases psychological well-being and supports individual resilience throughout the lifespan. Clinical Counseling works closely with other JFS programs, such as Community Case Management, and Aging & Wellness Services, to remove practical barriers to treatment and to increase independence. During the pandemic, staff also provided several virtual opportunities to provide information, tools and resources to the community related to mental health and wellness.

Desert Vista/Desert Rose Permanent Supportive Housing - Desert Vista/Desert Rose Permanent Supportive Housing is the only program of its kind in the Coachella Valley, specifically targeting the chronically homeless and individuals with disabilities, and provides both housing and intensive support to permanently disabled, homeless individuals in Riverside County. Clients go directly from the streets and emergency shelters into JFS Desert Vista and Desert Rose apartments located in the Western Coachella Valley. The Desert Vista and Desert Rose sites have a combined capacity to serve up to nearly 60 chronically homeless men and women. The program's purpose is to provide permanent housing and comprehensive services to men and women whose homelessness is exacerbated by a range of barriers to remaining in independent housing.

Family Connections - Family Connections combines the services of Supporting Jewish Single Parents (SJSP) and Jewish Big Pals. SJSP parents connect to other Jewish single parents and learn how to access vital community resources through networking, emotional and financial support, and advocacy. SJSP strengthens participants' sense of belonging to the Jewish community. Big Pals are caring adults who mentor children ages 6-16 from single-parent families. Big Pals help their Little Pals develop self-esteem, Jewish identity, and build lasting relationships that can change their perspective on the world.

JEWISH FAMILY SERVICE OF SAN DIEGO

Notes to Consolidated Financial Statements

Years Ended June 30, 2021 and 2020

Note 1 - Organization, continued

BASIC NEEDS AND STABILITY, continued

Hand Up Food Pantry Holiday Program - San Diegans facing hunger come to the Hand Up Food Pantry for nutritious food and other resources that alleviate their hunger, lower their stress levels, and help them to prepare healthy meals for themselves and their families. To help our clients celebrate important holidays in a dignified manner, the Hand Up Food Pantry Holiday Program provides holiday-specific food items, like turkey and cranberries, around Thanksgiving. Holiday packages are provided to people who receive support from all JFS programs, including Geriatric Care Management, Community Case Management, Foodmobile, Refugee Resettlement and Immigration Services, the Positive Parenting Program, and Family Connections.

Hand Up Food Pantry - San Diegans facing hunger come to the Hand Up Food Pantry for nutritious food and other resources that alleviate their hunger, lower their stress levels, and help them to prepare healthy meals for themselves and their families. Along with food, staff provide valuable referrals to community resources as well as to JFS services, so clients can get the help they need to become more self-sufficient and food secure. With an emphasis on fresh produce and healthy food options, Hand Up distributes food at the Client Choice Pantry at its Kearny Mesa campus, at the College Avenue Social & Wellness Center, Ohr Shalom Synagogue, Murphy Canyon Military Housing, Camp Pendleton, and Chabad of Downtown, as well as via the JFS Foodmobile.

The Hand Up program provides supplemental food to anyone in need in San Diego County. Those served come from a wide array of backgrounds and life experiences. Among clients are older adults living on fixed incomes, chronically and temporarily homeless individuals, families facing financial crises due to job loss or unexpected expenses, military families who have difficulty making ends meet in the San Diego economy, newly-arrived refugees, single parents with low incomes, people rebuilding their lives after leaving domestic violence situations, and individuals living with disabilities and chronic health conditions. Hand Up is one of the largest local pantries delivering food and hygiene items to active duty military families with low incomes.

Hand Up Loans - Clients can receive interest-free loans of up to \$7,500, to fund activities such as higher education, enhanced business opportunities, transportation, and financial management to support long-term stability through JFS's partnership with Jewish Free Loan Association, Los Angeles.

Immigration Services - Widely recognized as a trusted provider in the community, JFS Immigration Services provide low-income individuals and families with high-quality legal representation for a nominal fee. Immigration Services staff help clients identify and apply for available immigration benefits, such as citizenship, permanent residency or work eligibility. This helps them gain greater protection for themselves and their families, build stability, and increase their civic engagement. The program connects clients to additional services according to their needs; last fiscal year, these included Refugee Resettlement, the Hand Up Food Pantry, Breast Cancer Case Management, , and Access JFS. Immigration Services staff also work to combat the unauthorized practice of immigration law (UPIL) by delivering educational presentations to increase public awareness.

Shelter for Asylum Seeking Families - Beginning in October 2018, JFS opened an emergency shelter to serve families seeking asylum. As of June 30, 2021, the shelter has served 35,118 individuals. The shelter provides basic services including food, clothing, and shelter, in addition to case management and legal services.

San Diego Rapid Response Network - Formed in late 2016, the Rapid Response Network is a coalition of organizations from a variety of sectors that share the goal of coordinating resources for individuals impacted by immigration policies. JFS is the fiscal agent for the coalition.

JEWISH FAMILY SERVICE OF SAN DIEGO

Notes to Consolidated Financial Statements

Years Ended June 30, 2021 and 2020

Note 1 - Organization, continued

BASIC NEEDS AND STABILITY, continued

Patient Advocacy - The Patient Advocacy program ensures that facilities providing treatment to clients understand and safeguard the rights of their clients. Services are free to clients and include representing clients at hearings; advising minors regarding their rights; investigating complaints regarding rights violations, neglect, abuse, and/or breaches of confidentiality; and consultation and training to San Diego County Behavioral Health Services. These services have resulted in many positive changes to County and hospital policies and procedures. Patient Advocacy serves mental health clients throughout San Diego County who are in 24-hour licensed residential facilities, inpatient settings, board and care facilities, selected skilled nursing facilities, crisis houses, and long-term care facilities. Many clients are low income and are receiving public benefits, such as SSI, Medicare, Medi-Cal and County Medical Services; some clients are homeless.

Positive Parenting Program - The Positive Parenting Program (PPP) uses an evidence-based curriculum from Triple P, shown by more than 30 years of research to be effective for the prevention and early intervention of childhood social and emotional disorders. The program provides free parent education in English and Spanish at 164 Head Start preschools, elementary schools, and other sites across the county. The free childcare, incentives and healthy snacks PPP provides helps reduce barriers to attendance for the families with low incomes that are the focus of the program. The program offers single workshops, individual and group sessions to help parents and professionals learn how to use simple and practical strategies to foster resilience, independence, respect, and cooperation in children.

Additional programming for Parents: This fiscal year, JFS received additional government contracts to provide services to parents including the Family Support Liaison Program and Adolescent Family Life Program.

Refugee Resettlement Program - JFS has provided resettlement services to newly-arriving refugees from around the world who have fled their homes in fear of persecution for almost 100 years. Refugee Resettlement Services assist individuals and families each month to adapt to their new homes in the U.S. and achieve economic stability and social integration. JFS strives to create a network of services that link and coordinate assistance from institutions and agencies that provide medical, psycho-social, employment, educational, and support for individuals in need of such assistance.

Safe Parking Program - The Safe Parking Program provides a safe and welcoming environment for unsheltered for unsheltered families and individuals living in their cars, many of whom have recently found themselves homeless for the first time. JFS understands that a vehicle is often a family's last asset, allowing them to access resources, look for employment, or get to and from work and school. Focused on stopping the downward spiral of homelessness, the Safe Parking Program provides more than a dependable place to park at night. The program includes supportive services to help individuals and families stabilize and transition back into permanent housing. The Safe Parking Program operates seven nights per week at four secured lots on Balboa Avenue, Aero Drive, Mission Valley and Encinitas.

AGING WITH DIGNITY

Geriatric Care Management - The Geriatric Care Management (GCM) program provides older adults and their caregivers with a better quality of life through improved management of their health needs, and enhanced support systems. To maximize independence and enhance clients' ability to age with dignity, GCM's trained geriatric specialists coordinate medical care, provide transportation, assist with paperwork, advocate, and link clients to community and agency resources.

JFS Fix-It Service - The JFS Fix-It Service helps older adults in San Diego County age with dignity by enabling them to live independently and safely in their homes. The program significantly eases the burden for unpaid caregivers - spouses, family members, and friends - who all want to help their loved ones continue to live in familiar environments as they age. Services are provided by dedicated, screened, and trained volunteers who conduct free four-point safety checks, minor home-safety repair, and modifications. JFS Fix-It Service provides all labor and repairs free of charge through the work of volunteers, and a grant from the County of San Diego Aging & Independence Services.

JEWISH FAMILY SERVICE OF SAN DIEGO

Notes to Consolidated Financial Statements

Years Ended June 30, 2021 and 2020

Note 1 - Organization, continued

AGING WITH DIGNITY, continued

Nutrition Services - JFS Nutrition Services produce and deliver meals throughout San Diego County. The meals help older adults, and younger adults with disabilities (aged 18 and over), to age with dignity, maintain their independence, and continue living in their own homes. Meals are served at JFS Social & Wellness Centers and are also delivered to clients' homes through JFS Foodmobile. Trained drivers and volunteers conduct a wellness check and report any concerns to the Foodmobile Coordinator. Complimentary groceries and pet food supplied by the JFS Hand Up Food Pantry are available monthly. With Nutrition Services support, older adults and younger adults with disabilities not only increase their access to nutritious foods, they also improve their independence and experience reduced isolation. At the start of the pandemic in March 2020, in order to meet the increased demand for home-delivered meals, CARS Nonprofit began to oversee some of the deliveries using specialized software. JFS Nutrition Services expanded during the pandemic to meet the increased needs of the community. Providing over a million meals for vulnerable San Diegan's in need.

On the Go - Transportation Solutions for Older Adults offers shuttle service, excursions, Rides & Smiles®, Navigator, On the Go Silver, and taxi scrip. Shuttles provide group transportation to JFS's Social & Wellness Centers, shopping, errands, cultural events and religious services. Excursions provide group transportation to destinations such as the theater, museums, and tours of San Diego. Rides & Smiles®, an award-winning and internationally recognized service, offers individual rides provided primarily by volunteers using their own cars. Navigator offers on-demand transportation anywhere in San Diego County using car-sharing services. On the Go Silver is a premium fee-based service that accommodates individual riders' door-to-door needs and group transportation. The taxi scrip program fills gaps in service not met by other On the Go offerings. On the Go meets seniors' basic transportation needs, decreases isolation, and increases community connections. A total of 2,875 individuals over the age of 60 are enrolled in On the Go. On the Go is a program of CARS Nonprofit and is operated by Jewish Family Service of San Diego. During the pandemic, this transportation program became critical for individuals without the ability to drive to get to medical appointments, vaccine appointments and to other places like grocery stores.

Social Wellness Centers - The College Avenue Center is a Social and Wellness Center that provides drop-in programming for active older adults in central San Diego. The Center offers learning opportunities, exercise, Judaic programming, nutritious meals, and socialization. The Center offers information and support about the aging process, assistance accessing social services, and companionship, recreation, and community connection - all of which are proven to prevent isolation, maintain health, and support independent living at home. Due to the pandemic, this program moved to virtual for most of the fiscal year.

Serving Older Survivors - Serving Older Survivors (SOS) has been addressing the needs of San Diegans who suffered so much during the Holocaust. The goals of SOS are to decrease survivors' emotional distress, maximize their independence, and increase their community connections. SOS provides geriatric care management services, including assessments, care plans, consultations, advocacy, coordination, emotional support, help with care in the home, as well as direct financial assistance. In January 2021, this program expanded to Orange County.

Balboa Avenue Older Adult Center - The Balboa Ave Older Adult Center (BAOAC) operates four days per week. The Center offers a variety of activities designed to provide support to frail older adults, their caregivers, and their families. BAOAC is a haven for those who have been diagnosed with Alzheimer's disease or dementia, are recently widowed, or have become socially isolated. Due to the pandemic, this program was moved to virtual for most of the fiscal year.

COMMUNITY CONNECTION AND ENGAGEMENT

Embrace-a-Family - Each year individuals, families, service and faith-based community groups, and businesses donate new holiday gifts to the Embrace-a-Family program to help ensure that families unable to purchase them have gifts for the holidays. This program offers the community a meaningful way to make the holiday season a little brighter for families struggling to make ends meet.

JEWISH FAMILY SERVICE OF SAN DIEGO

Notes to Consolidated Financial Statements

Years Ended June 30, 2021 and 2020

Note 1 - Organization, continued

COMMUNITY CONNECTION AND ENGAGEMENT, continued

Hand Up Teen Leadership Program - The teen participants in the Hand Up Teen Leadership Program improve their leadership skills, increase their self-confidence and resilience, identify as positive agents for change, build their awareness about the issues of hunger and food insecurity in San Diego, and increase their ability to assume leadership roles in the community. They learn about community issues, meet with local leaders, and engage in advocacy, community outreach, event planning, and mentorship of younger teens to create positive social change for teens across San Diego.

The teens advance the work of the Hand Up Food Pantry, which distributes supplemental food and hygiene items to thousands of people in need across San Diego County. Hand Up teen leaders supervise volunteers in the food pantry and at military food distributions, deliver community educational presentations on food insecurity, raise funds, and participate in advocacy work to alleviate hunger.

San Diego for Every Child - A coalition of passionate people and organizations working to end the experience of child poverty in San Diego County.

Volunteer Engagement - Certified as a Service Enterprise for its effective and strategic engagement of volunteers, JFS is committed to leveraging volunteer talents at all levels of the agency. The Volunteer Engagement Department supports the agency by recruiting and retaining volunteer skills and talent. With more than 1,000 volunteers, JFS is dedicated to creating meaningful volunteer opportunities for people in search of better lives and for those seeking to make better lives possible.

VEHICLE DONATION

Since late 2011, CARS Nonprofit has provided turn-key vehicle donation processing services, assisting in fundraising for a diverse group of nonprofit partners under agreements whereby CARS Nonprofit and their nonprofit partners share the net proceeds from the sale of donated vehicles. CARS Nonprofit provided these services for over 3,800 and over 3,300 different nonprofits during the years ended June 30, 2021 and 2020, respectively. During fiscal 2021, CARS Nonprofit began offering similar services relating to the donation of real estate.

Note 2 - Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of Jewish Family Service of San Diego, Rady JFS Foundation, JFS Foundation, LLC, JFS Holdings, LLC, 8788 Balboa Avenue, LLC, Hand Up Lending, LLC, Charitable Auto Resources, Inc., Charitable Adult Rides & Services, Inc., Capital City Auto Auction, Inc, Charitable Auto Recycling, Inc., and Express Auto Auction, Inc. Intercompany balances and transactions have been eliminated in consolidation.

New Accounting Pronouncement

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This standard update, along with related subsequently issued updates, clarifies the principles for recognizing revenue and develops a common revenue standard under accounting principles generally accepted in the United States of America (US GAAP). Effective July 1, 2020, the Organization adopted ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The Organization has analyzed the provisions of ASU 2014-09 and concluded that no changes were necessary to conform with the new standard.

JEWISH FAMILY SERVICE OF SAN DIEGO

Notes to Consolidated Financial Statements

Years Ended June 30, 2021 and 2020

Note 2 - Significant Accounting Policies, continued

Financial Statement Presentation

The consolidated financial statements have been prepared in accordance with US GAAP, which require the Organization to report information regarding its financial position and activities according to the following net asset classification:

Net assets without donor restriction - Net assets available for use in the general operations and not subject to donor or grantor restrictions. Within this category are amounts that have been designated for specific purposes by the board of directors. These assets can be re-designated by a vote of the board of the directors.

Net assets with donor restrictions - Net assets subject to donor or grantor-imposed stipulations that will be met by actions of the Organization and/or the passage of time. When a donor stipulated time restriction ends or a purpose restriction is accomplished, these net assets are reclassified to assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. Other donor restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The income from these assets is available for either general operations or specific programs as required by the donor.

Estimates

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

Risks and Uncertainties

The Organization invests in various types of investment securities which are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the consolidated statements of financial position.

Accounts Receivable

Account receivables arise in the normal course of business. The allowance for uncollectible receivables is the Organization's best estimate of the amount of probable losses in existing account receivables. The Organization determines the allowance based on historical write-off experience and current information. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

Grants and Contracts Receivable

Grants and contracts receivables arise in the normal course of business when the Organization has met the terms and conditions of the contract or grant award and has billed for reimbursement. The allowance for uncollectible receivables is the Organization's best estimate of the amount of probable losses in existing account receivables. The Organization determines the allowance based on historical write-off experience and current information. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

Unconditional Promises to Give

Contributions to be received in future periods are discounted at an appropriate discount rate. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. The allowance for unconditional promises to give is determined based on historical experience and management's evaluation of outstanding unconditional promises to give.

JEWISH FAMILY SERVICE OF SAN DIEGO

Notes to Consolidated Financial Statements

Years Ended June 30, 2021 and 2020

Note 2 - Significant Accounting Policies, continued

Investments

Realized and unrealized gains and losses are included in the change in net assets in the consolidated statements of activities. Investment income and gains restricted by a donor are reported as increases in assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Fair Value of Financial Instruments

Fair value accounting standards define fair value, establish a framework for measuring fair value, outline a fair value hierarchy based on inputs used to measure fair value and enhance disclosure requirements for fair value measurements. The fair value hierarchy distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Level 1 or 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

Level 1 inputs are quoted prices in active markets for identical investments that the investment manager 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 investment, either directly or indirectly.

Level 3 inputs are unobservable inputs for the investment.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. As a practical expedient, certain financial instruments may be valued using net asset value (NAV) per share. NAV is the amount of net assets attributable to each share of a pool investment at the end of the period.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2021 and 2020.

Mutual funds and fixed income: Valued at the closing price reported on the active market on which the individual securities are traded.

Investment trusts: Reported at fair value based on the fair value of the underlying assets in the trust as reported by the custodian.

Short-term, mid-term, long-term and endowment pool: Valued based on the underlying assets held by the Jewish Community Foundation.

The Organization's financial instruments, none of which are held for trading purposes, include cash, receivables, accounts payable, and notes payable. The Organization estimates that the fair value of all of these non-derivative financial instruments at June 30, 2021 and 2020 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying consolidated statements of financial position.

Intangible Assets

Intangible assets consist of customer lists and goodwill. The customer lists were purchased from other car donation companies. The customer lists are being amortized using a straight-line method over the estimated useful life of seven years. The goodwill is the excess cost over the estimated value of the customer list. Goodwill is not amortized but is tested for impairment on an annual basis, or when triggering events occur. In management's opinion, there has been no impairment to the value of recorded goodwill during the years ended June 30, 2021 and 2020.

JEWISH FAMILY SERVICE OF SAN DIEGO

Notes to Consolidated Financial Statements

Years Ended June 30, 2021 and 2020

Note 2 - Significant Accounting Policies, continued

Land, Buildings, Equipment and Software

The Organization capitalizes all expenditures in excess of \$10,000 for land, buildings, equipment and software at cost, while donations of land, buildings and equipment are recorded at their estimated fair values. Such donations are reported as unrestricted support unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long these donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without restriction at that time.

Buildings and equipment are depreciated using the straight-line method over the estimated useful asset lives as follows:

Building and improvements	5 - 25 years
Furniture and equipment	5 - 7 years
Vehicles	5 years

Software is amortized using the straight-line method over the estimated useful lives ranging from three to seven years. Maintenance and repairs are charged to operations as incurred. Upon sale or disposition of land, buildings or equipment, the asset account is reduced by the cost and the accumulated depreciation account is reduced by the depreciation taken prior to the sale. Any resultant gain or loss is then recorded as income or expense.

Revenue Recognition

Charitable Vehicle Sales and Fees - The vehicle donation program earns revenue from contracts with charities and these revenues are accounted for under Topic 606, which the Organization adopted on July 1, 2020. The guidance was applied retrospectively to the contracts that were not completed as of the adoption date.

The Organization's revenue is generated from the sale of vehicles and property donated to charities. The Organization works with various auction houses, some owned by the Organization and others owned by third parties. The auction houses recognize revenue when the fees are collected related to the sale. There are no continuing performance obligations related to this revenue source. For CARS Nonprofit, revenue is recognized when the auction house has sold the vehicle and communicated the sale price. CARS Nonprofit recognizes revenue for the administration of the sale based on negotiated percentages with each charity. Once the sale is complete, there are no further performance obligations for CARS Nonprofit.

Under Topic 606, accounts receivable represents unconditional rights to consideration from the auction houses and requires only the passage of time before payment of the consideration is collected. Accrued expense related to the sale of vehicles represent amounts due to the charities based on the negotiated rates. The June 30, 2021 and 2020 balances of accounts receivable these accounts are disclosed in the consolidated balance sheets.

The Organization applied the standard's practical expedient that permits the omission of several disclosures related to receivables, contract assets, and contract liabilities.

There have been no changes in judgments used to determine the timing of the satisfaction of performance obligations or the transaction price and amounts allocated to performance obligations.

The Organization recognizes revenue from contracts with customers when its performance obligations are satisfied, regardless of the period in which it is billed. The Organization recognizes revenue at the point in time in which a car is sold at auction. This is the point in time in which the price becomes determinable and allocable to the Organization along with associated fees.

JEWISH FAMILY SERVICE OF SAN DIEGO

Notes to Consolidated Financial Statements

Years Ended June 30, 2021 and 2020

Note 2 - Significant Accounting Policies, continued

Revenue Recognition, continued

Government Contracts - Government contracts are conditioned upon performance requirements and/or the incurrence of allowable qualifying expenses, costs are incurred on the basis of direct costs plus allowable indirect expenses. Revenue recognized on government grants for which billings have not been presented to or collected from the awarding agency is included in grants receivable in the accompanying consolidated statements of financial position. Any amounts received in advance where conditions were not met as of year-end are included in unearned revenue in the accompanying consolidated statements of financial position.

Grants and Contributions - The Organization recognizes all unconditional contributed support in the period in which the commitment to give is made. Grants and contributions are considered revenue and support without donor restriction and available for general operations unless specifically restricted by the donor. The Organization reports gifts of cash and other assets as having donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a stipulated time restriction ends or purpose of a restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statements of activities as net assets released from restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports that support as net assets without donor restrictions. Revenue recognized on unconditional grants that have been committed to the Organization but has not been received is reflected as grants receivable in the accompanying consolidated statements of financial position.

Program Revenue - Program revenue are amounts received from the various programs that are offered by the Organization at each service location. Program revenue is recorded at the point in time when the service has been provided to the client and payment is collected. At that time the amounts are known and there are no further performance obligations.

Donated Services - The Organization utilizes the services of many volunteers throughout the year. This contribution of services by the volunteers is not recognized in the consolidated financial statements unless the services received (a) create or enhance nonfinancial assets or (b) require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

Functional Allocation of Expenses

The consolidated financial statements report certain categories of expense that are attributed to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. These expenses include salary and benefits, depreciation, occupancy expense, information technology and shared program support expense. Salary and benefits are allocated on time and effort, depreciation and occupancy are allocated by square foot and usage, information technology is allocated by full time equivalent and usage and shared program expense is allocated to programs using total expense as the basis.

Income Taxes

JFS, Rady JFS Foundation, the Foundation, Holdings, Balboa, and CARS Nonprofit are public charities and are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. HUL is not considered tax exempt for the state of California but is included in the federal tax filing of JFS. The Foundation, Holdings, Balboa, and HUL are considered disregarded entities for income tax purposes and are included in the income tax returns filed by JFS. JFS and CARS Nonprofit believe that they have appropriate support for any tax positions taken, and as such, do not have any uncertain tax positions that are material to the consolidated financial statements.

Capital City Auto Auction, Charitable Auto Recycling, Inc., and Express Auto Auction are California corporations subject to federal and state income taxes on net earnings. These entities are calendar year end tax filers, therefore estimated taxes due for the six months ended June 30, 2021 and 2020 have been accrued as of June 30, 2021 and 2020.

JEWISH FAMILY SERVICE OF SAN DIEGO

Notes to Consolidated Financial Statements

Years Ended June 30, 2021 and 2020

Note 2 - Significant Accounting Policies, continued

Reclassification

The presentation of receivables related to the vehicle sales has been reclassified in the consolidated statement of financial position due to the implementation of Topic 606.

Advertising

The Organization expenses the cost of advertising as incurred.

Subsequent Events

The Organization has evaluated subsequent events through December 15, 2021, which is the date on which the consolidated financial statements were available to be issued.

Note 3 - Liquidity and Availability of Assets

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests excess cash in various investment vehicles at the Jewish Community Foundation. The amount from this pool of investments, though not appropriated in the annual budget development process could be made available in cases of an emergency. These funds have an anticipated distribution of 5% yearly averaging \$400,000 annually.

The JFS Foundation has endowment funds held at Jewish Community Foundation that have an anticipated distribution of 5% yearly averaging \$445,000 annually subject to JFS Foundation board approval.

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

	2021	2020
Cash	\$ 20,760,733	\$ 11,540,492
Accounts and contract asset receivables, net	2,780,077	1,987,840
Grants and contracts receivable	8,612,096	4,837,442
Unconditional promises to give, net	3,396,804	5,614,787
Investments	16,150,848	11,148,558
Other assets	75,000	75,000
Beneficial interest in endowment funds	10,848,105	8,759,423
Financial assets available for use:	62,623,663	43,963,542
Less assets not currently available:		
Restricted endowments	(6,054,996)	(4,891,830)
Board designated assets	(10,709,039)	(8,707,723)
Purpose restricted	(3,639,123)	(2,844,058)
Unconditional promises to give to be received after one year	(2,466,500)	(3,419,000)
Unconditional promises to give with purpose restrictions in one year	(58,000)	(126,000)
	(22,927,658)	(19,988,611)
Financial assets available for general expenditure in the next year	\$ 39,696,005	\$ 23,974,931

JEWISH FAMILY SERVICE OF SAN DIEGO

Notes to Consolidated Financial Statements

Years Ended June 30, 2021 and 2020

Note 4 - Grants and Contracts Receivable

Grants and contracts receivable consist of the following at June 30, 2021 and 2020:

	2021	2020
Catholic Charities	\$ 4,795,329	\$ 85,345
County of San Diego	1,318,818	2,261,532
California Department of Social Services	1,058,030	1,285,173
County of Riverside	730,760	395,996
City of San Diego	213,906	158,455
San Diego Association of Governments	121,617	14,190
City of Poway	94,509	-
Hebrew Immigrant Aid Society	73,168	35,232
Inland Empire Health Plan	54,200	38,000
Jewish Community Foundation	43,735	-
Department of Homeland Security	25,645	243,985
State of CA Emergency Services	19,520	46,833
Other	16,958	40,255
HIAS Border Fellow	14,081	25,194
Regional Task Force on the Homeless	13,488	39,653
Napa County Office of Education	9,199	20,914
EFSP National Board Program	9,133	-
Conference on Jewish Material Claims Against Germany, Inc.	-	9,889
Department of Resources Recycling	-	12,654
DHHS - Administration for Community Living	-	65,133
Kaiser	-	9,000
Susan G Komen	-	50,009
Total Grants and Contracts Receivable	\$ 8,612,096	\$ 4,837,442

Note 5 - Unconditional Promises to Give

Unconditional promises to give consist of the following at June 30, 2021 and 2020:

	2021	2020
Due in less than one year	\$ 1,049,160	\$ 2,428,625
Due in one to five years	2,379,000	3,269,000
Due in over five years	87,500	150,000
	3,515,660	5,847,625
Less: Discount to present value (rates between 1.37% and 3.69%)	(118,856)	(232,838)
Total	\$ 3,396,804	\$ 5,614,787

JEWISH FAMILY SERVICE OF SAN DIEGO

Notes to Consolidated Financial Statements

Years Ended June 30, 2021 and 2020

Note 6 - Investments

The Organization has an investment committee that has established an investment policy. It is the Organization's policy to diversify all investment portfolios. The investment committee reviews and evaluates the risk within the investment portfolios, nevertheless, those portions of the investment portfolios consisting of holdings in equity securities and debt instruments are exposed to market price volatility in the stock and bond markets and are therefore, inherently at risk.

The Organization maintains its investments at Jewish Community Foundation (JCF). The funds held at JCF are invested in investment pools or are held as cash until invested in an investment pool.

The Short-Term Pool is a cash equivalent pool that seeks principal preservation by investing in certificates of deposit, securities issued or guaranteed by the U.S. government and other cash equivalents. The Mid-Term Pool invests 20% in domestic and international equities, 75% in fixed income, and 5% in real assets. The Long-Term Pool invests 55% in domestic and international equities, 38% in fixed income and 7% in real assets consisting of REITS and/or commodities. The Endowment Pool invests 50% in domestic and international equities, 10% in fixed income, 10% in real assets consisting of private real estate, REITS and/or commodities and 30% in multi-strategy investments including fund of funds investments.

The following tables summarize assets measured at fair value by classifications within the fair value hierarchy:

Assets at Fair Value as of June 30, 2021					
	Level 1	Level 2	Level 3	NAV	Total
Cash	\$ 10,362	\$ -	\$ -	\$ -	\$ 10,362
Fixed income	101,194	-	-	-	101,194
Mutual funds:					
Small blend	68,448	-	-	-	68,448
Large blend	63,685	-	-	-	63,685
Commodities ETF	19,855	-	-	-	19,855
Small growth ETF	33,733	-	-	-	33,733
Investment trusts	-	25,729	-	-	25,729
Short-term pool	-	-	-	737,381	737,381
Mid-term pool	-	-	-	74,903	74,903
Long-term pool	-	-	-	8,710,082	8,710,082
Endowment pool	-	-	-	6,305,476	6,305,476
	<u>\$ 297,277</u>	<u>\$ 25,729</u>	<u>\$ -</u>	<u>\$ 15,827,842</u>	<u>\$ 16,150,848</u>

JEWISH FAMILY SERVICE OF SAN DIEGO**Notes to Consolidated Financial Statements**

Years Ended June 30, 2021 and 2020

Note 6 - Investments, continued

Assets at Fair Value as of June 30, 2020					
	Level 1	Level 2	Level 3	NAV	Total
Cash	\$ 6,367	\$ -	\$ -	\$ -	\$ 6,367
Fixed income	57,966	-	-	-	57,966
Mutual funds:					
Small blend	67,018	-	-	-	67,018
Large blend	57,119	-	-	-	57,119
Commodities ETF	18,587	-	-	-	18,587
Small growth ETF	24,188	-	-	-	24,188
Investment trusts	-	20,269	-	-	20,269
Short-term pool	-	-	-	747,842	747,842
Mid-term pool	-	-	-	90,874	90,874
Long-term pool	-	-	-	7,043,134	7,043,134
Endowment pool	-	-	-	3,015,194	3,015,194
	<u>\$ 231,245</u>	<u>\$ 20,269</u>	<u>\$ -</u>	<u>\$ 10,897,044</u>	<u>\$ 11,148,558</u>

Note 7 - Investment in KLA Holdings, LLC

The Organization was a member of KLA Holdings, LLC (KLA) and maintained a 50% interest in KLA. The purpose of KLA is to acquire, improve, manage, lease, operate and hold for investment, sell and/or exchange real property. The investment in KLA is accounting for using the equity method. As of June 30, 2021 and 2020 the balances for KLA are as follows:

	2021	2020
Total assets	\$ 156,645	\$ 140,265
Total liabilities	\$ 1,658	\$ 800
Total members' equity	\$ 154,987	\$ 139,465
Net income	\$ 15,521	\$ 14,774

The change in the investment in KLA is as follows for the years ended June 30, 2021 and 2020:

	2021	2020
Beginning investment	\$ 69,733	\$ 69,346
Distributions	-	(7,000)
Net income	7,761	7,387
	<u>\$ 77,494</u>	<u>\$ 69,733</u>

JEWISH FAMILY SERVICE OF SAN DIEGO

Notes to Consolidated Financial Statements

Years Ended June 30, 2021 and 2020

Note 8 - Intangible Assets

Intangible assets consist of the following as of June 30, 2021 and 2020:

	Balance at June 30, 2020	Additions	Balance at June 30, 2021
Goodwill	\$ 251,227	\$ -	\$ 251,227
Customer lists	1,333,500	-	1,333,500
Accumulated amortization	(348,553)	(190,500)	(539,053)
	<u>\$ 1,236,174</u>	<u>\$ (190,500)</u>	<u>\$ 1,045,674</u>

Amortization expense of these customer lists was \$190,500 and \$189,863 for the years ended June 30, 2021 and 2020, respectively.

Future amortization expense of the customer lists as of June 30, 2021 is as follows:

Years Ended June 30,	
2022	\$ 190,500
2023	190,500
2024	141,929
2025	141,929
2026	129,589
	<u>\$ 794,447</u>

Note 9 - Land, Buildings, and Equipment

Land, buildings, and equipment consist of the following at June 30, 2021 and 2020:

	2021	2020
Land	\$ 4,023,335	\$ 4,023,335
Buildings and Improvements	13,827,332	13,703,074
Furniture and Equipment	2,442,621	2,406,828
Software	2,659,699	2,197,689
Vehicles	1,468,066	1,029,655
Leasehold Improvements	98,975	76,380
	<u>24,520,028</u>	<u>23,436,961</u>
Accumulated Depreciation and Amortization	<u>(8,232,441)</u>	<u>(6,953,544)</u>
Land, Buildings, and Equipment, net of depreciation	16,287,587	16,483,417
Construction in Progress	3,378	42,520
Total Land, Buildings, and Equipment, net of depreciation	<u>\$ 16,290,965</u>	<u>\$ 16,525,937</u>

Depreciation expense was \$1,015,990 and \$957,346 for the years ended June 30, 2021 and 2020, respectively. Amortization expense of software assets was \$292,358 and \$269,324 for the years ended June 30, 2021 and 2020, respectively. Amortization of leasehold improvements was \$19,193 and \$12,638 for the years ended June 30, 2021 and 2020, respectively.

JEWISH FAMILY SERVICE OF SAN DIEGO

Notes to Consolidated Financial Statements

Years Ended June 30, 2021 and 2020

Note 10 - Beneficial Interests in Endowment Funds

The Organization has a beneficial interest in assets held at Comerica Bank, JCF, and JFS Foundation. Under the terms of the agreement, JCF will make regular distributions to JFS as determined by the JFS board of directors.

The following tables summarizes assets measured at fair value by classifications within the fair value hierarchy:

Assets at Fair Value as of June 30, 2021					
	Level 1	Level 2	Level 3	NAV	Total
Cash and money market	\$ 1,820	\$ -	\$ -	\$ -	\$ 1,820
Equity	54,303	-	-	-	54,303
Mutual funds	37,635	-	-	-	37,635
Fixed income	47,948	-	-	-	47,948
Endowment pool	-	-	-	10,703,899	10,703,899
Long-term pool	-	-	-	2,500	2,500
	<u>\$ 141,706</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,706,399</u>	<u>\$ 10,848,105</u>

Assets at Fair Value as of June 30, 2020					
	Level 1	Level 2	Level 3	NAV	Total
Cash and money market	\$ 3,840	\$ -	\$ -	\$ -	\$ 3,840
Equity	45,129	-	-	-	45,129
Mutual funds	31,018	-	-	-	31,018
Fixed income	40,079	-	-	-	40,079
Endowment pool	-	-	-	8,636,857	8,636,857
Long-term pool	-	-	-	2,500	2,500
	<u>\$ 120,066</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,639,357</u>	<u>\$ 8,759,423</u>

JEWISH FAMILY SERVICE OF SAN DIEGO

Notes to Consolidated Financial Statements

Years Ended June 30, 2021 and 2020

Note 11 - Notes Payable

Notes payable consist of the following at June 30:

	<u>2021</u>	<u>2020</u>
Small Business Administration Paycheck Protection Program Loan, payable in monthly installments beginning July 2021 including interest at 1%, due between April and May 2022 if not forgiven.	\$ 2,956,800	\$ 4,015,705
Note payable for the purchase of a customer list, payable in annual installments of \$250,000, plus interest at 2.86% due January 2022.	250,000	500,000
Notes payable for acquisition of Express Auto Auction, payable in monthly installments of \$6,250 at 0% interest, due in September 2023.	150,000	231,250
Notes payable for the purchases of equipment, payable in aggregate monthly installments of \$3,816, including interest ranging from 6.20% to 9.295%, maturing at various dates from May 2021 to March 2024.	82,368	108,607
Note payable for the purchase of a customer list. Paid off May 2021.	-	47,394
Notes payable for the remodel of rented space, payable in monthly installments of \$857 at 6%, due June 2024.	28,160	36,477
Notes payable for the remodel of rented space, payable in monthly installments of \$830 at 6%, due August 2023.	<u>20,188</u>	<u>-</u>
	\$ <u>3,487,516</u>	\$ <u>4,939,433</u>

Future maturities of the notes payable as of June 30, 2021 are as follows:

Years Ending June 30,

2022	\$ 3,328,036
2023	127,544
2024	<u>31,936</u>
	\$ <u>3,487,516</u>

The City National Bank notes payable contains certain covenants one of which is that the audited consolidated financial statements be submitted within 150 days of year end. The Organization obtained a waiver for this covenant.

The loan from the Small Business Administration in the amount of \$2,956,800 was forgiven subsequent to the report date, in July 2021.

Note 12 - Deferred Compensation

JFS has deferred compensation agreements with a former and current executive employee. The plan provides for annual contributions to investment accounts held at various financial institutions, set aside for this purpose. Contributions totaled \$33,875 and \$34,000 for the years ended June 30, 2021 and 2020, respectively, and are included in employee benefits in the consolidated statements of functional expenses. The accumulated deferred compensation payable due as of June 30, 2021 and 2020 is \$442,330 and \$399,648, respectively and is included in the consolidated statements of financial position.

JEWISH FAMILY SERVICE OF SAN DIEGO

Notes to Consolidated Financial Statements

Years Ended June 30, 2021 and 2020

Note 13 - Net Assets

Net assets without donor restrictions that have been designated by the Board include the following:

	2021	2020
Reserve	\$ 3,759,903	\$ 3,041,082
Self sufficiency programs	1,678,028	1,412,612
Endowment	5,271,108	4,254,029
	<u>\$ 10,709,039</u>	<u>\$ 8,707,723</u>

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

Purpose restrictions:	2021	2020
Subject to expenditure for specified purpose:		
Aging with Dignity	\$ 239,446	\$ 153,288
Basic Needs and Stability	3,152,268	2,428,172
Community Connections	94,452	91,000
Other	5,110	23,751
Hebrew Free Loan Assistance	147,847	147,847
	<u>3,639,123</u>	<u>2,844,058</u>
Subject to appropriation of endowment spending policy:		
Aging with Dignity	188,272	43,555
Basic Needs and Stability	11,382	3,094
Community Connections	36,556	17,766
Staff Development	153,247	73,139
General Use	1,098,464	166,905
	<u>1,487,921</u>	<u>304,459</u>
Time restricted for future periods:		
Promises to give, proceeds from which have been restricted by donors:		
Aging with Dignity	159,904	199,248
Basic Needs and Stability	41,750	104,360
Community Connections	-	4,500
Subject to passage of time	<u>3,195,150</u>	<u>5,306,678</u>
	<u>3,396,804</u>	<u>5,614,786</u>
Perpetual in nature:		
Aging with Dignity	560,772	560,772
Basic Needs and Stability	29,610	29,610
Community Connections	60,772	60,772
Staff Development	265,000	265,000
General Use	3,650,921	3,671,216
	<u>4,567,075</u>	<u>4,587,370</u>
Net assets with donor restrictions	<u>\$ 13,090,923</u>	<u>\$ 13,350,673</u>

JEWISH FAMILY SERVICE OF SAN DIEGO

Notes to Consolidated Financial Statements

Years Ended June 30, 2021 and 2020

Note 13 - Net Assets, continued

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose of by the occurrence of the passage of time or other events specified by the donor as follows:

Net asset releases:	2021	2020
Aging with Dignity	\$ 163,083	\$ 138,496
Basic Needs and Stability	891,861	986,708
Community Connections	8,707	18,065
Other	27,798	3,432
Staff Development	17,250	17,035
General Use	205,899	216,426
Time Restricted	2,520,292	1,813,075
	<u>\$ 3,834,890</u>	<u>\$ 3,193,237</u>

Note 14 - Endowment Net Assets

The Organization's endowment consists of individual funds established for a variety of purposes. As required by US GAAP, net assets associated with endowment funds are classified and reported based on the existence of donor-imposed restrictions. The Organization holds and manages the general endowment fund, with the remaining funds held and managed by others.

JFS Managed Funds

The Organization has interpreted the enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as preserving the fair value of the original gift as of the gift date of the donor-restricted endowment funds while supporting operational needs. As a result of this interpretation, the Organization classifies as net assets perpetual in nature (1) the original value of gifts donated to the endowment (2) the original value of subsequent gifts donated to the endowment (3) accumulations to the 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 as perpetual in nature is classified as purpose restricted net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in deciding to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Organization and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Organization
7. The investment policies of the Organization

From time to time, the fair value of the assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. There was one fund with such deficiencies as of June 30, 2021.

JEWISH FAMILY SERVICE OF SAN DIEGO

Notes to Consolidated Financial Statements

Years Ended June 30, 2021 and 2020

Note 14 - Endowment Net Assets, continued

JFS Managed Funds, continued

The Organization has adopted investment and spending policies for endowment funds that:

1. Protect the invested assets
2. Preserve spending capacity of the fund income
3. Maintain a diversified portfolio of assets that meet investment return objectives while keeping risk at a minimal level
4. Comply with applicable laws

The Organization's endowment funds are invested at JCF in a portfolio of equity and debt securities which is structured for long-term total return. The Organization's spending policy is to disburse funds available in accordance with donor restrictions to meet the current program needs of the Organization.

Beneficial Interests in Endowment Funds

The beneficial interests are held by JFS Foundation, supporting organization of JCF of which JFS is the beneficiary of the assets, invested in JCF, and Comerica Bank, and are managed in accordance with UPMIFA. The investment objectives are to maintain the purchasing power (real value) of the endowment funds. However, from time to time, the fair value of the assets in the endowment fund may fall below the level that the donors require be retained as a fund of perpetual duration.

JFS classifies permanently restricted net assets held by JFS Foundation and Comerica Bank as:

1. The original value of gifts donated to the fund
2. The original value of the Organization's funds transferred to the fund
3. The original value of subsequent gifts donated to the fund
4. Investment income and realized and unrealized gains and losses on investments
5. Distributions from the fund in accordance with the spending policy

JFS Foundation and Comerica Bank have adopted investment and spending policies for endowment funds that:

1. Protect the invested assets
2. Preserve spending capacity of the fund income
3. Maintain a diversified portfolio of assets that meet investment return objectives while keeping risk at a moderate level
4. Comply with applicable laws

JFS Foundation endowment funds are invested in JCF in a portfolio of equity and debt securities which is structured for long-term total return. The endowment funds held at Comerica Bank are invested in a balanced portfolio including cash and cash equivalents, equities and fixed income securities.

The Organization's spending policy is to disburse 5% annually, based upon endowment principal market value. If the market value of the Endowment Principal of any fund, at the end of each month, is less than the initial value of all contributions made to the Endowment Principal, then distributions will be limited to interest and dividends received. Given the recent market declines, many of JCF's endowment fund distributions will be limited. Comerica Bank's spending policy is to distribute 5% annually.

JEWISH FAMILY SERVICE OF SAN DIEGO**Notes to Consolidated Financial Statements**

Years Ended June 30, 2021 and 2020

Note 14 - Endowment Net Assets, continuedBeneficial Interests in Endowment Funds, continued

Endowment composition by type of fund as of June 30, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 5,271,106	\$ -	\$ 5,271,106
Donor designated funds:			
Original donor-restricted gift amount required to be maintained in perpetuity by donor	-	4,587,370	4,587,370
Underwater endowments	-	(20,295)	(20,295)
Accumulated investment gains	-	1,487,921	1,487,921
	<u>\$ 5,271,106</u>	<u>\$ 6,054,996</u>	<u>\$ 11,326,102</u>

Endowment composition by type of fund as of June 30, 2020:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 4,254,028	\$ -	\$ 4,254,028
Donor designated funds:			
Original donor-restricted gift amount required to be maintained in perpetuity by donor	-	4,587,370	4,587,370
Underwater endowments	-	(82,518)	(82,518)
Accumulated investment gains	-	386,978	386,978
	<u>\$ 4,254,028</u>	<u>\$ 4,891,830</u>	<u>\$ 9,145,858</u>

Changes in endowment net assets are as follows as of June 30, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 4,254,028	\$ 4,891,830	\$ 9,145,858
Appropriated expenditures	(227,864)	(260,893)	(488,757)
Investment return, net	1,244,942	1,424,059	2,669,001
Endowment net assets, end of year	<u>\$ 5,271,106</u>	<u>\$ 6,054,996</u>	<u>\$ 11,326,102</u>

Changes in endowment net assets are as follows as of June 30, 2020:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 4,508,478	\$ 5,165,550	\$ 9,674,028
Contributions	126	2,500	2,626
Write off promise to give	-	(10,000)	(10,000)
Appropriated expenditures	(229,286)	(260,996)	(490,282)
Investment return, net	(25,290)	(5,224)	(30,514)
Endowment net assets, end of year	<u>\$ 4,254,028</u>	<u>\$ 4,891,830</u>	<u>\$ 9,145,858</u>

JEWISH FAMILY SERVICE OF SAN DIEGO

Notes to Consolidated Financial Statements

Years Ended June 30, 2021 and 2020

Note 15 - Retirement Plan

JFS has established a 401(k)-retirement plan (Plan) covering all full-time and half-time employees. The Plan allows for employee contributions to the Plan up to the maximum amount allowed by the Internal Revenue Code, if they wish, beginning on their hire date. JFS made a 3% safe harbor contribution and a discretionary match for the years ended June 30, 2021 and 2020. Employees are eligible to participate in JFS's contribution if they are 21 years of age and have completed one year of service and 975 hours of service during the Plan year. The Organization contributed \$534,546 and \$417,846 to the Plan for the years ended June 30, 2021 and 2020, respectively.

Note 16 - Commitments

Facility Operating Leases

JFS leases office facilities under lease agreements expiring through fiscal year 2022. Rent expense totaled \$1,112,304 and \$894,477 for the years ended June 30, 2021 and 2020, respectively.

CARS Nonprofit leases office facilities under a lease agreement that expires in fiscal year 2024. Rent expense totaled \$256,815 and \$235,486 for the years ended June 30, 2021 and 2020, respectively.

CCAA rents land and buildings under lease agreements through fiscal year 2024 as well as on a month-to-month basis. For the years ended June 30, 2021 and 2020 rent expense totaled \$337,002 and \$338,805. The general manager for CCAA has a 21.4% interest in APG Properties, LLC that CCAA rented property from during the years ended June 30, 2021 and 2020. Additionally, the general manager has a 33.33% undivided interest in RAA Property Partnership. CCAA rents vacant land used by the auction from this entity.

Charitable Auto Recycling, Inc leases space from KLA Holdings, a related party, under a lease agreement that expires in fiscal year 2024. For the years ending June 30, 2021 and 2020, rent expense totaled \$44,299 and \$35,769, respectively.

Express rents land under a lease agreement expiring through November 2031. Rent expense totaled \$122,471 for the year ended June 30, 2021.

The following is a schedule of future minimum lease payments under the leases as of June 30, 2021:

Years Ending June 30,	
2022	\$ 973,016
2023	844,638
2024	660,816
2025	443,353
2026	458,646
Thereafter	<u>1,009,080</u>
	<u>\$ 4,389,549</u>

JEWISH FAMILY SERVICE OF SAN DIEGO

Notes to Consolidated Financial Statements

Years Ended June 30, 2021 and 2020

Note 17 - Concentrations

The Organization maintains bank accounts which may exceed depository insurance limits and therefore expose the Organization to credit risk. The Organization restricts its cash deposits to financial institutions which are members of the FDIC, insured up to a limit of \$250,000 per depositor.

For the year ended June 30, 2021, grants receivable from two agencies comprised 71%, of the total balance (two agencies comprised 76% of the total balance for the year ended June 30, 2020). Revenue from two agencies during the year ended June 30, 2021 comprised 74% of grant revenue (one agency and 28% during the year ended June 30, 2020). Unconditional promises to give from one donor comprised 76% of the total balance at June 30, 2021 (one donor totaling 84% at June 30, 2020). There were no concentrations of contributions during the years ended June 30, 2021 and 2020.

Note 18 - Related Party

The Director for CCAA has a 21.4% interest in APG Properties, LLC which is the company from which CCAA rented property on a month-to-month basis prior to opening their new facility in January 2018. The new facility is also owned by APG Properties, LLC. Additionally, the Director has a 33.33% undivided interest in RAA Property Partnership. CCAA currently rents vacant land that is used by the auction house from this entity.

Recycling leases the land on which it conducts its auctions from KLA Holding, LLC. CARS Nonprofit has a 50% interest in KLA Holdings, LLC.

Note 19 - Supplemental Cash Flow Disclosures

The Organization had the following non-cash transactions for the years ended June 30, 2021 and 2020.

	2021	2020
Purchase of intangible assets with long-term financing	\$ -	\$ 203,500
Purchase of equipment with long-term financing	\$ -	\$ 140,812

Cash paid for interest was \$26,292 and \$45,822 for the years ended June 30, 2021 and 2020, respectively. Cash paid for taxes was \$255,930 and \$123,548 for the years ended June 30, 2021 and 2020, respectively.

Note 20 - Economic Uncertainty

In December 2019, a novel strain of coronavirus (COVID-19) was reported in Wuhan, China. On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses and shelter in place orders, including California, where the Organization is headquartered. In response, the U.S. Government enacted the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which includes significant provisions to provide relief and assistance to affected organizations. The Organization received Paycheck Protection Program loans as part of the CARES Act to support the important work of the community. The Organization moved many services from in person to remote offerings and continued to serve vulnerable population in person with safety protocols in place. Therefore, the Organization was able to meet contract requirements as well as community needs. Concerns of the pandemic continues, possibility of closures and shelter in place remains and the future financial impact cannot be reasonably estimated at this time should there be new pandemic related mandates.

**REPORTS AND SCHEDULES REQUIRED BY UNIFORM GUIDANCE, *AUDITS OF
STATES, LOCAL GOVERNMENTS, AND NONPROFIT ORGANIZATIONS***

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

To the Board of Directors
Jewish Family Service of San Diego

We have audited, in accordance with the auditing standards generally accepted in the United State of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Jewish Family Service of San Diego (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2021, the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 15, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Jewish Family Service of San Diego's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Jewish Family Service of San Diego's internal control. Accordingly, we do not express an opinion on the effectiveness of Jewish Family Service of San Diego'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 Jewish Family Service of San Diego's consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audits, 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*.

INDEPENDENT AUDITORS' 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, CONTINUED

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 Jewish Family Service of San Diego's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jewish Family Service of San Diego's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Aldrich CPAs + Advisors LLP

San Diego, California
December 15, 2021

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

To the Board of Directors
Jewish Family Service of San Diego

Report on Compliance for Each Major Federal Program

We have audited Jewish Family Service of San Diego's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Jewish Family Service of San Diego's major federal program for the year ended June 30, 2021. Jewish Family Service of San Diego's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

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

We believe our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Jewish Family Service of San Diego's compliance.

Opinion on Each Major Federal Program

In our opinion, Jewish Family Service of San Diego 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 June 30, 2021.

Report on Internal Control over Compliance

Management of Jewish Family Service of San Diego is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Jewish Family Service of San Diego's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Jewish Family Service of San Diego's internal control over compliance.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE,
CONTINUED

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

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

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

Aldrich CPAs + Advisors LLP

San Diego, California
December 15, 2021

JEWISH FAMILY SERVICE OF SAN DIEGO**Schedule of Expenditures of Federal Awards**

Year Ended June 30, 2021

<u>Federal Grants/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Housing and Urban Development</u>			
Community Development Block Grants/Entitlement Grants Cluster			
Pass-Through Program From:			
City of Poway	14.218	\$ -	\$ 185,988
Total Community Development Block Grants/Entitlement Grants Cluster		-	185,988
Pass-Through Program From:			
Riverside County Department of Public Social Service	14.267	-	2,155,226
Total U.S. Department of Housing and Urban Development		-	2,155,226
<u>U.S. Department of State</u>			
Pass-Through Program From:			
U.S. Refugee Admissions Program:			
Hebrew Immigrant Aid Society	19.510	-	252,856
Total U.S. Department of State		-	252,856
<u>U.S. Department of Transportation</u>			
Transit Services Programs Cluster			
Pass-Through Program From:			
Enhanced Mobility of Seniors and Individuals with Disabilities:			
San Diego Association of Governments	20.513	-	390,109
Total Transit Services Programs Cluster		-	390,109
<u>U.S. Department of the Treasury</u>			
Pass-Through Program From:			
Coronavirus Relief Fund			
County of San Diego	21.019	-	12,656
Total U.S. Department of Transportation		-	12,656
<u>U.S. Department of Health and Human Services</u>			
Aging Cluster:			
Pass-Through Program From:			
Special Programs for the Aging, Title III, Part B,			
Grants for Supportive Services and Senior Centers:			
County of San Diego	93.044	-	1,440
Special Programs for the Aging, Title III, Part C,			
Nutrition Services:			
County of San Diego	93.045	-	462,733
COVID-19 Special Programs for the Aging, Title III	93.045	-	2,906,558
Nutrition Services Incentive Program:			
County of San Diego	93.053	-	65,832
Total Aging Cluster		-	3,436,563

JEWISH FAMILY SERVICE OF SAN DIEGO**Schedule of Expenditures of Federal Awards**

Year Ended June 30, 2021

<u>Federal Grants/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Health and Human Services, continued</u>			
Community Services Block Grant Cluster			
Pass-Through Programs From:			
County of San Diego	93.569	\$ -	\$ 345,259
Total Community Services Block Grant Cluster		-	345,259
Pass-Through Programs From:			
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects			
Project Connect	93.048	-	49,477
National Family Caregiver Support, Title III, Part E:			
County of San Diego	93.052	-	115,163
Refugee and Entrant Assistance State/Replacement Designee Administered Programs			
California Department of Social Services	93.566	-	49,319
Refugee and Entrant Assistance Voluntary Agency Programs			
Hebrew Immigrant Aid Society	93.567	-	75,139
Refugee and Entrant Assistance, Discretionary Grants:			
Hebrew Immigrant Aid Society	93.576	-	101,297
Catholic Charities	93.584	-	304,471
Stephanie Tubbs Jones Child Welfare Services Program			
County of San Diego	93.645	-	75,435
Material and Child Health Services Block Grant to the States			
County of San Diego	93.994	-	288,959
Total U.S. Department of Health and Human Services		-	1,059,260
<u>Corporation of National and Community Service</u>			
Pass-Through Programs From:			
AmeriCorps:			
Napa County Office of Education	94.006	-	98,058
Total Corporation of National and Community Service		-	98,058

JEWISH FAMILY SERVICE OF SAN DIEGO
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

<u>Federal Grants/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Homeland Security</u>			
Nonprofit Security Program	97.008	\$ -	\$ 19,520
Citizenship Education and Training	97.010	-	108,840
Pass-Through Programs From:			
Emergency Food and Shelter Program (EFSP)			
Catholic Charities	97.024	-	6,262,845
Riverside County	97.024	-	4,187
COVID-19 EFSP			
Catholic Charities	97.024	-	5,929
Riverside County	97.024	-	23,938
Total U.S. Department of Homeland Security		-	6,425,259
Total Expenditures of Federal Awards		\$ -	\$ 14,361,234

JEWISH FAMILY SERVICE OF SAN DIEGO

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal award activity of Jewish Family Service of San Diego under programs of the federal government for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Jewish Family Service of San Diego, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Jewish Family Service of San Diego.

Note 2 - Summary of Significant Accounting Policies

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

Note 3 - Indirect Cost Rate

Jewish Family Service of San Diego will use the 10% de minimis indirect cost rate for contracts that do not have a negotiated rate.

JEWISH FAMILY SERVICE OF SAN DIEGO

Schedule of Findings and Questioned Costs

Year Ended June 30, 2021

Section I - Summary of Auditors' Results

Consolidated Financial Statements

Type of auditors' report issued:

Unmodified

Internal control over financial reporting:

Significant deficiency(ies) identified?

☐ yes ☒ none identified

Material weakness(es) identified?

☐ yes ☒ no

Noncompliance material to the consolidated financial statements noted?

☐ yes ☒ no

Federal Awards

Internal control over major programs:

Significant deficiency(ies) identified?

☐ yes ☒ none identified

Material weakness(es) identified?

☐ yes ☒ no

Type of auditors' report issued on compliance for major programs

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?

☐ yes ☒ no

Identification of major programs:

CFDA Number

Name of Federal Program or Cluster

20.513

97.024

Transit Services Program Cluster

Emergency Food and Shelter National Board Program

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as a low-risk auditee?

☒ yes ☐ no

Section II - Financial Statement Findings

None reported

Section III - Federal Award Findings and Questioned Costs

None reported

SUPPLEMENTAL INFORMATION

JEWISH FAMILY SERVICE OF SAN DIEGO

Consolidating Schedule of Financial Position

June 30, 2021

	Jewish Family Service of San Diego	Rady JFS Foundation	JFS Holdings, LLC	8788 Balboa Avenue, LLC	Charitable Adult Rides & Services, Inc.	Charitable Auto Resources, Inc.	Capital City Auto Auction, Inc.	Charitable Auto Recycling, Inc.	Express	Eliminations	Consolidated
ASSETS											
Cash	\$ 14,149,601	\$ -	\$ -	\$ -	\$ 3,450,414	\$ -	\$ 1,327,057	\$ 431,434	\$ 1,402,227	\$ -	\$ 20,760,733
Accounts Receivable, net	157,956	-	-	-	-	-	-	-	-	-	157,956
Contract Asset Vehicle Sales Receivables	-	-	-	-	3,917,704	-	-	-	-	(1,295,583)	2,622,121
Grants and Contracts Receivable	8,612,096	-	-	-	-	-	-	-	-	-	8,612,096
Unconditional Promises to Give, net	3,396,804	-	-	-	-	-	-	-	-	-	3,396,804
Investments	9,845,371	6,305,477	-	-	-	-	-	-	-	-	16,150,848
Investment in KLA Holdings, LLC	-	-	-	-	77,494	-	-	-	-	-	77,494
Prepaid Expenses and Other Assets	1,457,846	-	-	-	257,186	-	153,366	2,150	33,842	-	1,904,390
Intangible Assets	-	-	-	-	828,939	-	-	-	216,735	-	1,045,674
Intercompany Receivables	16,896,457	-	-	-	226,476	-	-	-	-	(17,122,933)	-
Related Party Receivables	322	-	-	-	-	-	-	10,000	10,000	-	20,322
Investment in Subsidiaries	5,647,097	-	-	-	874,705	-	-	-	-	(6,521,802)	-
Land, Buildings, and Equipment, net	2,657,747	-	6,649,356	5,277,887	1,521,523	-	100,859	8,938	74,655	-	16,290,965
Beneficial Interests in Endowment Funds	10,848,105	-	-	-	-	-	-	-	-	-	10,848,105
Total Assets	\$ 73,669,402	\$ 6,305,477	\$ 6,649,356	\$ 5,277,887	\$ 11,154,441	\$ -	\$ 1,581,282	\$ 452,522	\$ 1,737,459	\$ (24,940,318)	\$ 81,887,508
LIABILITIES AND NET ASSETS											
Liabilities:											
Accounts payable	\$ 2,259,663	\$ -	\$ -	\$ -	\$ 1,137,364	\$ 915	\$ 200	\$ 6,218	\$ -	\$ -	\$ 3,404,360
Line of credit	50,000	-	-	-	-	-	-	-	-	-	50,000
Accrued expenses	2,458,935	-	-	-	3,996,480	1,333	1,045,522	326,441	1,113,479	(1,295,583)	7,646,607
Intercompany payables	4,950,457	-	6,649,356	5,277,887	70,081	2,822	26,700	16,453	129,177	(17,122,933)	-
Unearned revenue	3,836,649	-	-	-	-	-	-	-	-	-	3,836,649
Notes payable	2,956,800	-	-	-	298,348	-	82,368	-	150,000	-	3,487,516
Deferred compensation	442,330	-	-	-	-	-	-	-	-	-	442,330
Total Liabilities	16,954,834	-	6,649,356	5,277,887	5,502,273	5,070	1,154,790	349,112	1,392,656	(18,418,516)	18,867,462
Net Assets:											
Without Donor Restrictions:											
Undesignated	33,164,164	6,055,919	-	-	5,652,168	(5,070)	426,492	103,410	344,803	(6,521,802)	39,220,084
Board Designated	10,709,039	-	-	-	-	-	-	-	-	-	10,709,039
Total Without Donor Restrictions	43,873,203	6,055,919	-	-	5,652,168	(5,070)	426,492	103,410	344,803	(6,521,802)	49,929,123
With Donor Restrictions	12,841,365	249,558	-	-	-	-	-	-	-	-	13,090,923
Total Net Assets	56,714,568	6,305,477	-	-	5,652,168	(5,070)	426,492	103,410	344,803	(6,521,802)	63,020,046
Total Liabilities and Net Assets	\$ 73,669,402	\$ 6,305,477	\$ 6,649,356	\$ 5,277,887	\$ 11,154,441	\$ -	\$ 1,581,282	\$ 452,522	\$ 1,737,459	\$ (24,940,318)	\$ 81,887,508

JEWISH FAMILY SERVICE OF SAN DIEGO

Consolidating Schedule of Financial Position

June 30, 2020

	Jewish Family Service of San Diego	JFS Holdings, LLC	8788 Balboa Avenue, LLC	Charitable Adult Rides & Services, Inc.	Charitable Auto Resources, Inc.	Capital City Auto Auction	Charitable Auto Recycling, Inc.	Express	Eliminations	Consolidated
ASSETS										
Cash	\$ 7,885,986	\$ -	\$ -	\$ 2,314,629	\$ -	\$ 526,458	\$ 268,909	\$ 544,510	\$ -	\$ 11,540,492
Accounts Receivable, net	77,188	-	-	-	-	-	-	10,000	-	87,188
Contract Asset Vehicle Sales Receivables	-	-	-	2,207,027	-	-	-	-	(306,375)	1,900,652
Grants and Contracts Receivable	4,837,442	-	-	-	-	-	-	-	-	4,837,442
Unconditional Promises to Give, net	5,614,787	-	-	-	-	-	-	-	-	5,614,787
Investments	11,148,558	-	-	-	-	-	-	-	-	11,148,558
Investments in KLA Holdings, LLC	-	-	-	69,733	-	-	-	-	-	69,733
Prepaid Expenses and Other Assets	535,904	-	-	184,267	-	183,906	9,745	-	-	913,822
Intangible Assets	-	-	-	1,011,796	-	-	-	224,378	-	1,236,174
Intercompany Receivables	16,627,795	-	-	263,842	-	-	-	-	(16,891,637)	-
Related Party Receivables	44,846	-	-	-	-	-	10,000	-	-	54,846
Investment in Subsidiaries	2,553,086	-	-	426,820	-	-	-	-	(2,979,906)	-
Land, Buildings, and Equipment, net	2,649,247	6,960,584	5,452,070	1,232,186	-	129,430	12,152	90,268	-	16,525,937
Beneficial Interests in Endowment Funds	8,759,423	-	-	-	-	-	-	-	-	8,759,423
Total Assets	\$ 60,734,262	\$ 6,960,584	\$ 5,452,070	\$ 7,710,300	\$ -	\$ 839,794	\$ 300,806	\$ 869,156	\$ (20,177,918)	\$ 62,689,054
LIABILITIES AND NET ASSETS										
Liabilities:										
Accounts payable	\$ 500,267	\$ -	\$ -	\$ 796,360	\$ 915	\$ -	\$ 2,538	\$ -	\$ -	\$ 1,300,080
Line of credit	50,000	-	-	-	-	-	-	-	-	50,000
Accrued expenses	2,291,252	-	-	2,827,593	1,333	285,192	105,050	410,017	(306,375)	5,614,062
Intercompany payables	4,175,964	6,960,584	5,452,070	54,176	265	7,552	96,270	144,756	(16,891,637)	-
Related party note payable	-	-	-	-	-	-	25,500	-	-	25,500
Unearned revenue	1,558,900	-	-	-	-	-	-	-	-	1,558,900
Notes payable	2,956,800	-	-	1,476,572	-	239,607	35,204	231,250	-	4,939,433
Deferred compensation	399,648	-	-	-	-	-	-	-	-	399,648
Total Liabilities	11,932,831	6,960,584	5,452,070	5,154,701	2,513	532,351	264,562	786,023	(17,198,012)	13,887,623
Net Assets:										
Without Donor Restriction:										
Undesignated	26,743,035	-	-	2,555,599	(2,513)	307,443	36,244	83,133	(2,979,906)	26,743,035
Board Designated	8,707,723	-	-	-	-	-	-	-	-	8,707,723
Total Without Donor Restriction	35,450,758	-	-	2,555,599	(2,513)	307,443	36,244	83,133	(2,979,906)	35,450,758
With Donor Restriction	13,350,673	-	-	-	-	-	-	-	-	13,350,673
Total Net Assets	48,801,431	-	-	2,555,599	(2,513)	307,443	36,244	83,133	(2,979,906)	48,801,431
Total Liabilities and Net Assets	\$ 60,734,262	\$ 6,960,584	\$ 5,452,070	\$ 7,710,300	\$ -	\$ 839,794	\$ 300,806	\$ 869,156	\$ (20,177,918)	\$ 62,689,054

See independent auditors' report.

JEWISH FAMILY SERVICE OF SAN DIEGO

Consolidating Schedule of Activities

Year Ended June 30, 2021

	Jewish Family Service of San Diego			Rady JFS Foundation			Charitable Adult Rides & Services, Inc.	Charitable Auto Resources, Inc.	Capital City Auto Auction, Inc.	Charitable Auto Recycling, Inc.	Express	Eliminations	Consolidated
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total							
Support and Revenue:													
Charitable vehicle sales and fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,046,758	\$ -	\$ 6,804,746	\$ 1,291,830	\$ 2,572,109	\$ (141,001)	\$ 29,574,442
Government contracts	21,236,898	-	21,236,898	-	-	-	-	-	-	-	-	-	21,236,898
Grants and contributions	11,632,561	1,840,295	13,472,856	-	-	-	-	-	-	-	-	(164,371)	13,308,485
Investment return	3,751,585	1,479,976	5,231,561	458,750	19,825	478,575	7,761	-	-	-	-	-	5,717,897
Program revenue	1,856,199	-	1,856,199	-	-	-	-	-	-	-	-	-	1,856,199
Paycheck Protection loan forgiveness	-	-	-	-	-	-	892,700	-	131,000	35,204	-	-	1,058,904
Fees and other revenue	215,072	-	215,072	-	-	-	(1,230)	-	66	40	-	-	213,948
Income from subsidiary	10,786,011	-	10,786,011	-	-	-	1,429,298	-	-	-	-	(12,215,309)	-
Net assets released from restrictions	3,594,535	(3,594,535)	-	5,311	(5,311)	-	-	-	-	-	-	-	-
Total Support and Revenue	53,072,861	(274,264)	52,798,597	464,061	14,514	478,575	21,375,287	-	6,935,812	1,327,074	2,572,109	(12,520,681)	72,966,773
Expenses:													
Program Services:													
Aging with Dignity	8,220,895	-	8,220,895	-	-	-	-	-	-	-	-	-	8,220,895
Basic Needs and Stability	22,909,710	-	22,909,710	-	-	-	-	-	-	-	-	-	22,909,710
Community Connections	1,467,568	-	1,467,568	-	-	-	-	-	-	-	-	-	1,467,568
Grants to JFS	-	-	-	121,371	-	121,371	-	-	-	-	-	(121,371)	-
Vehicle donation	-	-	-	-	-	-	14,844,670	2,557	5,950,134	1,145,124	2,310,439	(7,649,500)	16,603,424
Total Program Services	32,598,173	-	32,598,173	121,371	-	121,371	14,844,670	2,557	5,950,134	1,145,124	2,310,439	(7,770,871)	49,201,597
Supporting Services:													
General and administrative	3,429,168	-	3,429,168	-	-	-	1,323,783	-	-	-	-	(183,501)	4,569,450
Fundraising	2,909,846	-	2,909,846	-	-	-	2,110,265	-	-	-	-	(43,000)	4,977,111
Total Supporting Services	6,339,014	-	6,339,014	-	-	-	3,434,048	-	-	-	-	(226,501)	9,546,561
Total Expenses	38,937,187	-	38,937,187	121,371	-	121,371	18,278,718	2,557	5,950,134	1,145,124	2,310,439	(7,997,372)	58,748,158
Non-operating Income(Expense)													
Transfers of assets	(5,713,229)	(235,044)	(5,948,273)	5,713,229	235,044	5,948,273	-	-	-	-	-	-	-
Change in Net Assets	8,422,445	(509,308)	7,913,137	6,055,919	249,558	6,305,477	3,096,569	(2,557)	985,678	181,950	261,670	(4,523,309)	14,218,615
Net Assets, beginning	35,450,758	13,350,673	48,801,431	-	-	-	2,555,599	(2,513)	307,443	36,244	83,133	(2,979,906)	48,801,431
Profit distributions	-	-	-	-	-	-	-	-	(866,629)	(114,784)	-	981,413	-
Equity contribution	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Assets, ending	\$ 43,873,203	\$ 12,841,365	\$ 56,714,568	\$ 6,055,919	\$ 249,558	\$ 6,305,477	\$ 5,652,168	\$ (5,070)	\$ 426,492	\$ 103,410	\$ 344,803	\$ (6,521,802)	\$ 63,020,046

See independent auditors' report.

JEWISH FAMILY SERVICE OF SAN DIEGO

Consolidating Schedule of Activities

Year Ended June 30, 2020

	Jewish Family Service of San Diego			Charitable	Charitable	Capital City	Charitable Auto	Express	Eliminations	Consolidated
	Without Donor	With Donor	Total	Adult Rides &	Auto	Auto Auction	Recycling, Inc.			
	Restrictions	Restrictions		Services, Inc.	Resources, Inc.					
Support and Revenue:										
Charitable vehicle sales and fees	\$ -	\$ -	\$ -	\$ 11,478,923	\$ -	\$ 4,039,902	\$ 871,265	\$ 1,234,298	\$ (214,488)	\$ 17,409,900
Government contracts	16,665,713	-	16,665,713	-	-	-	-	-	-	16,665,713
Grants and contributions	10,251,080	2,309,771	12,560,851	-	-	-	-	-	-	12,560,851
Program revenue	1,557,501	-	1,557,501	-	-	-	-	-	-	1,557,501
Investment return	427,006	5,030	432,036	7,427	-	-	160	-	-	439,623
Fees and other revenue	102,216	-	102,216	4,405	-	(8,057)	-	-	-	98,564
Income from subsidiary	3,064,246	-	3,064,246	516,995	-	-	-	-	(3,581,241)	-
Net assets released from restrictions	3,193,237	(3,193,237)	-	-	-	-	-	-	-	-
Total Support and Revenue	35,260,999	(878,436)	34,382,563	12,007,750	-	4,031,845	871,425	1,234,298	(3,795,729)	48,732,152
Expenses:										
Program Services:										
Aging with Dignity	6,234,950	-	6,234,950	-	-	-	-	-	-	6,234,950
Basic Needs and Stability	18,981,276	-	18,981,276	-	-	-	-	-	-	18,981,276
Community Connections	1,493,022	-	1,493,022	-	-	-	-	-	-	1,493,022
Vehicle donation	-	-	-	8,524,713	3,617	3,634,607	833,801	1,152,165	(2,669,841)	11,479,062
Total Program Services	26,709,248	-	26,709,248	8,524,713	3,617	3,634,607	833,801	1,152,165	(2,669,841)	38,188,310
Supporting Services:										
General and administrative	3,121,307	-	3,121,307	1,272,699	-	-	-	-	(211,710)	4,182,296
Fundraising	2,613,986	-	2,613,986	1,809,538	-	-	-	-	-	4,423,524
Total Supporting Services	5,735,293	-	5,735,293	3,082,237	-	-	-	-	(211,710)	8,605,820
Total Expenses	32,444,541	-	32,444,541	11,606,950	3,617	3,634,607	833,801	1,152,165	(2,881,551)	46,794,130
Change in Net Assets	2,816,458	(878,436)	1,938,022	400,800	(3,617)	397,238	37,624	82,133	(914,178)	1,938,022
Net Assets, beginning	32,634,300	14,229,109	46,863,409	2,154,799	1,104	186,691	(1,380)	-	(2,341,214)	46,863,409
Profit distributions	-	-	-	-	-	(276,486)	-	-	276,486	-
Equity contribution	-	-	-	-	-	-	-	1,000	(1,000)	-
Net Assets, ending	\$ 35,450,758	\$ 13,350,673	\$ 48,801,431	\$ 2,555,599	\$ (2,513)	\$ 307,443	\$ 36,244	\$ 83,133	\$ (2,979,906)	\$ 48,801,431

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