

**Ferd and Gladys Alpert Jewish
Family & Children's Service of Palm
Beach County, Inc. and Affiliates**

**Combined Financial Statements and
Supplemental Schedules
Years Ended June 30, 2023 and 2022**

**Ferd and Gladys Alpert Jewish Family & Children's Service of
Palm Beach County, Inc. and Affiliates**

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Years Ended June 30, 2023 and 2022

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Independent Auditor's Report

Board of Directors
Ferd and Gladys Alpert Jewish Family & Children's Service
of Palm Beach County, Inc. and Affiliates
West Palm Beach, Fl

Opinion

We have audited the combined financial statements of Ferd and Gladys Alpert Jewish Family and Children's Service of Palm Beach County, Inc. and Affiliates ("the Organization"), which comprise the combined statements of financial position as of June 30, 2023 and 2022, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the combined financial position of Organization as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Combined Financial Statements* section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter - Change in Accounting Principle

As discussed in Notes 1 and 13 to the combined financial statements, on July 1, 2022, the Organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC 842), *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

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

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Auditor's Responsibilities for the Audit of the Combined Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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



Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the combined financial statements that collectively comprise the Organization's basic combined financial statements. The combining schedules of financial position and activities are presented for purposes of additional analysis and are not a required part of the basic combined financial statements.

The combining schedules of financial position and activities are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic combined financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic combined financial statements or to the basic combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedule of financial position and activities are fairly stated, in all material respects, in relation to the basic combined financial statements as a whole.

BDO USA, P.C.

Boca Raton, Florida
December 18, 2023

Combined Financial Statements

Ferd and Gladys Alpert Jewish Family & Children's Service of Palm Beach County, Inc. and Affiliates

Combined Statements of Financial Position

June 30,	2023	2022
Assets		
Current Assets		
Cash and cash equivalents	\$ 2,121,772	\$ 3,735,631
Investments held in Medicaid Pooled Trust, at fair value	8,268,799	7,079,817
Investments, at fair value	462,926	428,968
Accounts receivable:		
Jewish Federation of Palm Beach County, Inc.	570,832	431,317
Client charges, net	388,270	465,739
Grants	1,359	1,287
United Way receivable	82,633	55,000
Promises to give, net	359,100	75,000
Bequests receivable	-	50,930
Prepaid expenses and other assets	471,357	259,440
Property held for sale	81,494	57,556
Total Current Assets	12,808,542	12,640,685
Restricted cash	347,800	347,800
Promises to give, net of discount and current portion	118,343	185,907
Investment in JFS Comforcare Services, LLC	285,693	278,914
Property and equipment, net	3,651,609	3,166,378
Operating lease right of use assets, net	1,910,795	-
Total Assets	\$ 19,122,782	\$ 16,619,684
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 2,821,662	\$ 3,516,461
Line of credit	519,660	-
Medicaid Pooled Trust Investments held on behalf of others	8,268,799	7,079,817
Deferred revenue	288,027	259,775
Operating lease liabilities, current portion	241,679	-
Notes payable, current portion	109,162	104,888
Total Current Liabilities	12,248,989	10,960,941
Operating lease liabilities, net of current portion	1,808,120	-
Notes payable, less current portion and deferred loan costs	2,443,703	2,544,484
Total Liabilities	16,500,812	13,505,425
Commitments and Contingencies (Note 1, 2, 3, 7, 9, 10, 11, 13, 14, 15, 16, 18)		
Net Assets		
Without donor restrictions:		
Undesignated	874,007	1,522,959
Board-designated	675,000	675,000
Total Net Assets without Donor Restrictions	1,549,007	2,197,959
Total Net Assets with Donor Restrictions	1,072,963	916,300
Total Net Assets	2,621,970	3,114,259
Total Liabilities and Net Assets	\$ 19,122,782	\$ 16,619,684

See accompanying notes to combined financial statements.

Ferd and Gladys Alpert Jewish Family & Children's Service of Palm Beach County, Inc. and Affiliates

Combined Statements of Activities

Years ended June 30,	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenues:						
Contributions from the Federation	\$ 162,500	\$ 671,696	\$ 834,196	\$ 195,000	\$ 461,696	\$ 656,696
Contributions	2,314,725	-	2,314,725	2,794,026	242,227	3,036,253
Fundraising events	567,750	-	567,750	348,411	-	348,411
Contracts and other grants	1,079,843	60,000	1,139,843	549,912	55,000	604,912
Claims Conference grant revenue	7,918,868	-	7,918,868	6,924,454	-	6,924,454
Net patient service revenue	3,462,793	-	3,462,793	3,602,272	-	3,602,272
Rental income	89,250	-	89,250	83,793	-	83,793
Investment income (loss), net	32,491	12,204	44,695	(49,711)	(20,831)	(70,542)
Income from Joint Venture	396,779	-	396,779	316,583	-	316,583
Other	119,271	-	119,271	129,214	-	129,214
Gain on sale of property	642,680	-	642,680	-	-	-
Net assets released from restrictions	587,237	(587,237)	-	723,722	(723,722)	-
Total Public Support and Revenues	17,374,187	156,663	17,530,850	15,617,676	14,370	15,632,046
Expenses:						
Program Services:						
Community services	1,060,978	-	1,060,978	835,546	-	835,546
Long-term care	9,106,061	-	9,106,061	8,065,588	-	8,065,588
Behavioral health	2,679,764	-	2,679,764	2,076,690	-	2,076,690
Residential	2,593,132	-	2,593,132	2,895,708	-	2,895,708
Total Program Services	15,439,935	-	15,439,935	13,873,532	-	13,873,532
Support Services:						
Fundraising and development	1,449,627	-	1,449,627	1,079,289	-	\$ 1,079,289
Management and general	1,133,577	-	1,133,577	1,130,960	-	1,130,960
Total Support Services	2,583,204	-	2,583,204	2,210,249	-	2,210,249
Total Expenses	18,023,139	-	18,023,139	16,083,781	-	16,083,781
Change in Net Assets	(648,952)	156,663	(492,289)	(466,105)	14,370	(451,735)
Net Assets, beginning of year	2,197,959	916,300	3,114,259	2,664,064	901,930	3,565,994
Net Assets, end of year	\$ 1,549,007	\$ 1,072,963	\$ 2,621,970	\$ 2,197,959	\$ 916,300	\$ 3,114,259

See accompanying notes to combined financial statements.

Ferd and Gladys Alpert Jewish Family & Children's Service of Palm Beach County, Inc. and Affiliates

Combined Statement of Functional Expenses

Year Ended June 30, 2023

	Program Services					Support Services			Total
	Community Services	Long-Term Care	Behavioral Health	Residential	Total Program Services	Fundraising and Development	and General		
Salaries and Benefits									
Salaries	\$ 627,582	\$ 1,385,615	\$ 1,871,536	\$ 1,206,714	5,091,447	\$ 888,008	\$ 756,293	\$ 6,735,748	
Payroll taxes and benefits	115,464	259,481	290,580	285,090	950,615	167,432	138,402	1,256,449	
Total Salaries and Benefits	743,046	1,645,096	2,162,116	1,491,804	6,042,062	1,055,440	894,695	7,992,197	
Operating expenses									
Professional fees	11,106	40,974	26,305	17,044	95,429	16,149	17,245	128,823	
Building and facilities	10,682	30,365	29,138	83,034	153,219	15,431	62,871	231,521	
Depreciation and amortization	34,961	46,615	58,268	56,428	196,272	-	36,802	233,074	
Insurance	10,308	20,262	34,776	70,376	135,722	14,989	52,526	203,237	
Interest	18,385	24,514	30,642	24,514	98,055	12,257	12,257	122,569	
Bank fees	6,462	11,731	7,399	26,356	51,948	4,050	11,876	67,874	
Program specific expenses	107,791	136,635	47,789	189,321	481,536	266,641	-	748,177	
Rent	20,126	-	189,848	544,362	754,336	8,548	4,682	767,566	
Special assistance to individuals	67,073	7,087,382	-	-	7,154,455	-	-	7,154,455	
Supplies	29,291	58,595	88,867	73,011	249,764	53,000	21,607	324,371	
Other operating expenses	1,747	3,892	4,616	16,882	27,137	3,122	19,016	49,275	
Total Operating Expenses	317,932	7,460,965	517,648	1,101,328	9,397,873	394,187	238,882	10,030,942	
Total Functional Expenses	\$ 1,060,978	\$ 9,106,061	\$ 2,679,764	\$ 2,593,132	\$ 15,439,935	\$ 1,449,627	\$ 1,133,577	\$ 18,023,139	

See accompanying notes to combined financial statements.

Ferd and Gladys Alpert Jewish Family & Children's Service of Palm Beach County, Inc. and Affiliates

Combined Statement of Functional Expenses

Year Ended June 30, 2022	Program Services					Support Services		
	Community Services	Long-Term Care	Behavioral Health	Residential	Total Program Services	Fundraising and Development	Management and General	Total
Salaries and Benefits								
Salaries	\$ 418,115	\$ 1,207,328	\$ 1,445,818	\$ 1,577,796	\$ 4,649,057	\$ 751,764	\$ 707,597	\$ 6,108,418
Payroll taxes and benefits	70,863	198,286	202,694	365,095	836,938	92,160	191,001	1,120,099
Total Salaries and Benefits	488,978	1,405,614	1,648,512	1,942,891	5,485,995	843,924	898,598	7,228,517
Operating expenses								
Professional fees	15,887	28,809	35,994	47,611	128,301	36,763	15,313	180,377
Building and facilities	11,695	35,781	29,969	87,805	165,250	19,100	59,627	243,977
Depreciation and amortization	32,997	54,027	54,995	53,258	195,277	-	31,209	226,486
Insurance	18,741	37,483	37,483	74,966	168,673	3,748	14,993	187,414
Interest	17,024	22,699	28,374	22,699	90,796	11,349	11,350	113,495
Bank fees	5,374	9,756	6,154	21,921	43,205	3,369	1,229	47,803
Program specific expenses	68,480	68,480	114,134	205,441	456,535	91,623	-	548,158
Rent	39,051	-	-	432,104	471,155	41,161	30,539	542,855
Special assistance to individuals	88,008	6,291,000	26,737	-	6,405,745	-	-	6,405,745
Supplies	45,208	96,800	87,258	1,712	230,978	23,865	35,140	289,983
Other operating expenses	4,103	15,139	7,080	5,300	31,622	4,387	32,962	68,971
Total Operating Expenses	346,568	6,659,974	428,178	952,817	8,387,537	235,365	232,362	8,855,264
Total Functional Expenses	\$ 835,546	\$ 8,065,588	\$ 2,076,690	\$ 2,895,708	\$ 13,873,532	\$ 1,079,289	\$ 1,130,960	\$ 16,083,781

See accompanying notes to combined financial statements.

Ferd and Gladys Alpert Jewish Family & Children's Service of Palm Beach County, Inc. and Affiliates

Combined Statements of Cash Flows

Years ended June 30,	2023	2022
Cash Flows from Operating Activities:		
Change in net assets	\$ (492,289)	\$ (451,735)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	233,074	220,010
Amortization of deferred loan costs	7,876	6,476
Net realized and unrealized (gains) losses on investments	(36,780)	73,167
Provision for doubtful accounts	28,411	-
Accretion of discount on promises to give	(7,436)	4,256
Gain on sale of property held for sale	(642,680)	-
Non-cash lease expense	98,175	-
Change in operating assets and liabilities:		
Decrease (increase) in:		
Accounts receivable	67,745	320,544
Promises to give	(344,077)	145,982
Prepaid expenses and other assets	(211,917)	(46,790)
Property held for sale	-	(57,556)
(Decrease) increase in:		
Accounts payable and accrued expenses	(694,799)	55,155
Deferred revenue	28,252	37,536
Total Adjustments	(1,474,156)	758,780
Net Cash (Used in) Provided by Operating Activities	(1,966,445)	307,045
Cash Flows from Investing Activities:		
Purchases of property and equipment	(840,884)	(189,068)
Net proceeds from sale of property and equipment	741,321	-
Net proceeds from sale of investments	2,822	(338,488)
Investment in joint venture	(6,779)	(278,914)
Net Cash Used in Investing Activities	(103,520)	(806,470)
Cash Flows from Financing Activities:		
Borrowings from line of credit	785,000	-
Repayments on line of credit	(265,340)	-
Repayments on operating lease liabilities	40,829	-
Repayments on notes payable	(104,383)	(106,072)
Net Cash Provided by (Used in) Financing Activities	456,106	(106,072)
Decrease in Cash (including Restricted Cash)	(1,613,859)	(614,009)
Cash and Cash Equivalents (including Restricted Cash), beginning of year	4,083,431	4,697,440
Cash and Cash Equivalents (including Restricted Cash), end of year	\$ 2,469,572	\$ 4,083,431
Reconciliation of Cash, Cash Equivalents and Restricted Cash:		
Cash and cash equivalents	\$ 2,121,772	\$ 3,735,631
Restricted cash	347,800	347,800
Cash, Cash Equivalents and Restricted Cash	\$ 2,469,572	\$ 4,083,431
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for interest	\$ 114,945	\$ 107,284
Supplemental Disclosure of Non-Cash Financing Activities:		
ROU assets obtained in exchange for new operating lease liabilities	\$ 2,008,970	\$ -

See accompanying notes to combined financial statements.

Ferd and Gladys Alpert Jewish Family & Children's Service of Palm Beach County, Inc. and Affiliates

Notes to Combined Financial Statements

1. Organization and Summary of Significant Accounting Policies

Organization and Operations

The combined financial statements include the combined accounts of Ferd and Gladys Alpert Jewish Family & Children's Service of Palm Beach County, Inc. ("JFCS") and its wholly owned subsidiary 5841 Corporate Way, LLC ("5841"), along with an affiliate, Melvin J. & Claire Levine Jewish Residential & Family Services of Palm Beach County, Inc. ("JRFS") (collectively, the "Organization"). The combined financial statements are presented on a combined basis due to the existence of common members on the Board of Directors between JFCS and JRFS. Management believes combined financial statements are more meaningful. All intercompany balances and transactions have been eliminated.

JFCS is a not-for-profit organization, incorporated in the State of Florida in 1974. JFCS is a private, social service agency established to provide professional social work in the Jewish community and to contribute to the wellbeing of the general population. Its basic purpose is to administer services to strengthen family life, to aid the welfare of children and to promote the healthy social functioning of individuals.

5841 is a single-member LLC with JFCS as the sole member. 5841 is the owner of a commercial building and was established in April 2008 for the purpose of leasing office space for the corporate offices of JFCS, JRFS and other third parties.

JRFS is a not-for-profit organization, incorporated in the State of Florida in 1997. It was established to promote the establishment and operation of residential facilities, and to provide treatment and other services for the care of physically and mentally disabled adults.

JFCS derives its principal revenue and support from contracts, grants, contributions, and allocations from the Jewish Federation of Palm Beach County, Inc. (the "Federation"), the Conference on Jewish Material Claims Against Germany, Inc. ("Claims Conference"), the United Way and program services. JRFS derives its revenue from client fees and is supported by contributions. 5841 derives its revenue from rental fees.

The Organization relies on the continued support of the Federation in order to meet its financial commitments. The reduction of support from the Federation in future years could significantly impact the Organization's ability to provide program services.

In July 2021, JFCS entered into a joint venture with Johnson Homecare Services, LLC to form JFS Comforcare, LLC. The Organization and Johnson Homecare Services, LLC contributed \$62,375 into the joint venture. The Organization and Johnson Homecare Services, LLC each own a 50% interest in JFS Comforcare, LLC (Note 6).

Basis of Presentation and Net Assets

The Organization prepares its combined financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Ferd and Gladys Alpert Jewish Family & Children's Service of Palm Beach County, Inc. and Affiliates

Notes to Combined Financial Statements

Net assets and revenues, expenses, gains and losses are classified into two classes of net assets based on the existence or absence of donor-imposed purpose or time restrictions. The two classes of net asset categories are as follows:

Net assets without donor restrictions consist of contributions and other inflows of assets whose use is not subject to donor-imposed restrictions. Board-designated net assets are part of net assets without donor restrictions of the Organization since use by the Organization is not limited by donor-imposed stipulations. The Organization's board has internally earmarked such funds for future capital improvements.

Net assets with donor restrictions consist of contributions and other inflows of assets whose use is subject to donor-imposed restrictions that are more specific than broad limits reflecting the nature of the Organization, the environment in which the Organization operates, and the purposes specified in its articles of incorporation or bylaws or comparable documents. Donor-imposed restrictions may be temporary in nature, such as stipulating that resources may be used only after a specified date or limited to specific programs or services. Certain donor-imposed restrictions are perpetual in nature. If a restriction is fulfilled in the same fiscal year in which the contribution is received, the contribution is reported as without donor restrictions on the accompanying Combined Statements of Activities.

Use of Estimates

The preparation of combined financial statements in conformity with U.S. 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 combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Concentrations of Credit Risk

The Organization maintains cash balances with a financial institution in South Florida. Accounts at the institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. Although cash balances may exceed federally insured limits at times during the year, the Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Concentrations of Promises to Give, Contributions and Grants

At June 30, 2023, three donors accounted for approximately 83% of promises to give. At June 30, 2022, two donors accounted for 100% of promises to give.

During each of the years ended June 30, 2023 and 2022, Claims Conference revenues accounted for approximately 45% of total public support and revenues, respectively.

See Note 12 for concentrations related to the Federation.

Ferd and Gladys Alpert Jewish Family & Children's Service of Palm Beach County, Inc. and Affiliates

Notes to Combined Financial Statements

Description of Programs:

Community Services Division:

Community Access Lifeline (CALL) includes information and referral. The program answers more than 3,5000 calls a year from community members seeking assistance with a range of personal and family needs. The professional staff assesses needs and makes the appropriate referrals within and outside of JFCS. This program also provides very minimal emergency financial assistance to members of the Jewish community who meet the JFCS criteria for financial aid.

Food Pantry is a small food pantry for persons in need. The Organization will provide regular food deliveries to seniors, provide food vouchers when available and appropriate as well as referrals to other community food pantries.

Emergency Financial Assistance - If funds are available, the agency may provide limited financial assistance to Jewish families experiencing a temporary financial crisis. The applicant must demonstrate that the assistance will help them resume or maintain a healthy family life. Financial assessment and verification of need along with a commitment to make necessary lifestyle changes are required.

JELF (Jewish Educational Loan Fund) - Jewish students living from Boynton Beach north to Indian River County can turn to Alpert JFS for help in accessing interest-free, need-based loans to supplement their financial resources, and give them the opportunity to attend full-time accredited post-secondary educational programs.

Miscellaneous Contracts include the Medical Alert systems program.

Mental Health First Aid is a public education program that introduces participants to risk factors and warning signs of mental illnesses, builds understanding of their impact, and overviews common supports. This 8-hour course uses role-playing and simulations to demonstrate how to offer initial help in a mental health crisis and connect persons to the appropriate professional, peer, social, and self-help care. The program also teaches the common risk factors and warning signs of specific types of illnesses, like anxiety, depression, substance use, bipolar disorder, and psychosis.

Long-Term Care Division:

Case Management is a core program of comprehensive clinical intervention primarily to seniors, but also to individuals and families coping with mental illness and other disabilities.

LINKS is a care management service for Jewish individuals and families who need comprehensive services. A bio-psycho-social-functional assessment is completed. The professional, along with the client or family identifies what services are needed. The case manager implements the services and provides oversight and reassessment.

The ElderCare360 Program, a subgroup of the Case Management program, is offered as a "general contractor's" model to adult children who usually live out-of-state. The role of the care coordinator is to maintain and support both the elderly clients and the family members.

Ferd and Gladys Alpert Jewish Family & Children's Service of Palm Beach County, Inc. and Affiliates

Notes to Combined Financial Statements

Respite, also known as Enhanced Companion, hires, screens, trains and supervises seniors and AmeriCorps members to provide frail elderly with in-home assistance, such as transportation, light housekeeping, companionship, grocery shopping and meal preparation.

AmeriCorps ("Legacy Corp") is a federal grant through Arizona State University. Members participate in the Enhanced Companion program by providing in-home assistance to seniors in the Respite program. Each member must be 55-plus years old and "volunteer" 9 hours per week, for a total of 450 hours per year. They receive a monthly stipend through the grant. This program ended in September 2022.

Holocaust is funded by the Claims Conference and offers two primary services: case management and subsidized in-home care to survivors of the Holocaust. It also provides some limited emergency funds and assistance with filing claims.

Guardianship provides legal guardianship on a voluntary or court mandated basis for persons with diminished capacity. This program can also provide Medicaid planning, including the use of a Medicaid eligible pooled trust for Medicaid eligibility.

The Jewish Addiction Outreach and Support Program creates awareness that addiction does exist in the Jewish community, minimizes the stigma attached to substance-use disorders and mental illness, and offers families support and assistance.

Behavioral Health Division:

Counseling provides professional psychotherapeutic services to individuals, couples, families and groups to cope with the stresses and challenges in their lives within a framework of Jewish values.

Psychiatric provides psychiatric evaluation and treatment for children and adults. One full-time board-certified psychiatrist, as well as a team of psychologists, social workers, mental health counselors and case managers, are available to provide needed treatment. Services include evaluation and assessment, medication monitoring, psychotherapeutic and support services.

Domestic Abuse Program was established to provide services for Jewish families experiencing the effects of physical, emotional, financial and sexual abuse. Relationships & Decisions provides training of teens helping them to train other teens in safe dating. The program focuses on preventing dating abuse. Hebrew for "voices" ("KOLOT") is a committee of the agency and a coalition of Jewish organizations, synagogues, and individuals working as the outreach branch of the program. The efforts of KOLOT result in Jewish individuals and families contacting the agency to ask for help.

Mentoring 4 Kids is an individual mentoring program, partially funded by the United Way of Palm Beach County, designed to help children living in families where there has been a loss of a consistent caretaker.

Consultations, a program where staff are called upon to utilize their expertise at sister agencies in the Jewish or general community.

Bereavement provides outreach services to individuals who are experiencing acute grief. Assessment for services is done in community settings such as synagogues and in-home. Support groups are administered at the offices on both campuses of the Jewish Community Center ("JCC") and various synagogues.

Ferd and Gladys Alpert Jewish Family & Children's Service of Palm Beach County, Inc. and Affiliates

Notes to Combined Financial Statements

Residential Division:

Group Homes offers care for people with mental disabilities. The group homes provide 24-hour care for 7 residents per home who have developmental disabilities, chronic mental illness or a significant impairment, and need constant supervision. As of September 30, 2022, all group home operations ceased.

Apartment provides independent supportive living, offers residents the opportunity to live alone with supervision, while participating in social, recreational and life-skills instruction on a daily basis. Each resident lives in a spacious apartment within a larger apartment community of residents that are not participants of the program.

Life Planning is endowed by Melvin J.z'l and Claire Levine and is a program intended to reach out to and educate families with adult disabled children to help them begin or enhance their fiscal and social planning for these children's needs when the parent passes. Seminars are conducted on a range of subjects, including trusts, guardianship, socialization, case management, and housing options. The staff also evaluates requests for financial assistance from community members in financial need and authorizes assistance when appropriate. Individual consultation is available to help families with their planning needs, addressing the emotional challenges associated with this process.

Transportation provides transportation for the residents of the group home and apartment program to appointments, activities and jobs.

Cash and Cash Equivalents

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

Investment in the Medicaid Pooled Trust

The Organization established a Pooled Medicaid Trust on January 3, 2003 called The Declaration of Pooled Medicaid Trust of Ferd & Gladys Alpert Jewish Family and Children's Services of Palm Beach County, Inc. ("Trust") (Note 4). The Trust holds investments for the benefit of others and these transactions are reflected as agency transactions on the Combined Statements of Financial Position.

Investments at Fair Value

Fair values of financial instruments are estimated using relevant market information and other assumptions. Fair value estimates involve uncertainties and matters of significant judgment regarding interest rates, credit risk, prepayments, and other factors, especially in the absence of broad markets for particular instruments. Changes in assumptions or in market conditions could significantly affect the estimates. The carrying amount of all financial assets and liabilities approximates fair value because of their short-term nature or market rates (Note 4).

Ferd and Gladys Alpert Jewish Family & Children's Service of Palm Beach County, Inc. and Affiliates

Notes to Combined Financial Statements

Investment in Joint Venture

In July 2021, the Organization made strategic investment to form a joint venture. The joint venture provides patient services to seniors across South Florida. The Organization accounted for its investment in the joint venture under the equity method of accounting as the Organization has the ability to exercise significant influence over the operations of the joint venture (Note 6).

Accounts Receivable - Client Charges

Accounts receivable are reported at net realizable value and consist of amounts due from clients for counseling and other program services, insurance receivables for those services as well as monies due from various funding sources. The Organization's allowance for bad debts on client charges was approximately \$38,000 at June 30, 2023 and 2022. The allowance for bad debts is based, among other things, on the Organization's past collection experience and the impact of changes in the current economic conditions. Account balances are charged off against the allowance for doubtful accounts after all means of collection have been exhausted. Bad debt expense on client charges for the years ended June 30, 2023 and 2022, was \$28,411 and \$0, respectively.

Accounts Receivable - Grants and United Way Receivable

The Organization receives a significant portion of its revenue from grants and contracts. The amounts received under these grants and contracts are designated for specific purposes by the granting agencies. Grant and contract revenue is recognized when the allowable costs, as defined by the individual grant or contracts, are incurred and/or the unit of service has been performed. The Organization records advances at the start of each grant as a liability. Revenues and expenses, which are treated as reciprocal transactions, are recognized as the performance obligations are met. Grants and other receivables at year end represent expenditures and/or units of service performed, which have not been reimbursed by the granting agency.

For grants receivable and United Way receivable, the Organization estimates that the full amount is collectible; therefore, no provision for estimated uncollectible amounts is required for these receivables.

Allocations Receivable, Bequests, and Promises to Give, Net

Allocations receivable and pledges receivable are reported at net realizable value which approximates fair value and consists of amounts due from supporting agencies, pledges and bequests. The allowance for doubtful accounts is the Organization's best estimate of the amount of probable losses. Past due balances are reviewed individually for collectability. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. Pledges determined to be uncollectible during the year in which such pledges are received are shown as a reduction of contributions. Pledges determined to be uncollectible subsequent to the year in which such pledges are received are charged to the allowance for uncollectible pledges.

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in more than one year are discounted using a market rate of return and are recorded at net present value. Unconditional promises to give are recognized as revenues in the period received. Conditional promises to give are recognized as revenue in the period the conditions on which they depend are substantially met.

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Notes to Combined Financial Statements

For allocations receivable, promises to give and bequests receivable, the Organization estimates that the full amount is collectible; therefore, no provision for estimated uncollectible amounts is required for these receivables.

Prepaid Expenses and Other Assets

Prepaid expenses and other assets primarily represent amounts paid in advance for rent and insurance that benefit future periods.

Deferred Loan Costs, Net

Deferred loan costs are recorded at cost and are amortized using the effective interest method over the term of the related note payable. The balance of deferred loan costs, net as of June 30, 2023 and 2022 was approximately \$16,000 and \$24,000, respectively. Amortization expense, which is included in the caption "Interest" on the accompanying Combined Statements of Functional Expenses, totaled approximately \$8,000 and \$6,000, respectively, for the years ended June 30, 2023 and 2022.

Investments held at Jewish Federation of Palm Beach County, Inc.

The Organization has investments that are held and administered by the Federation. The Federation has a pooled investment strategy and a fund for income. The pooled investment strategy includes investments in a variety of mutual funds, hedge funds, government securities, equities, Israel Bonds and other types of investments. The income fund invests in bond funds and real asset funds. The monies held at the Federation are reflected as donor restricted endowments (Note 3).

Investments held at the Federation are reported at their net asset value ("NAV"). Estimated values are subject to uncertainty and therefore may differ significantly from the value that would have been used had the investments been traded on a public market investment income or loss (including gains and losses on investments, interests and dividends) is included in the Combined Statements of Activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor.

Donated Works of Art

Contributions of works of art and similar assets have been recognized at their estimated fair value at the date of receipt based upon independent appraisals. Contributions of works of art are reflected in the Combined Statements of Financial Position within the caption "Property and equipment, net" and the Combined Statements of Activities within the caption "In-kind Contributions" when received. As of June 30, 2023 and 2022, the total donated works of art reflected in the Combined Statements of Financial Position were approximately \$158,000 (Note 7).

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Notes to Combined Financial Statements

Property and Equipment, Net

Property and equipment is recorded at cost at the date of purchase, or, if donated, at the estimated fair value at the date of donation. The Organization's capitalization policy requires individual assets to be capitalized if the original cost or fair value at date of donation exceeds \$1,000. Depreciation and amortization is charged to operations over the estimated service lives of property and equipment on a straight-line basis. Additionally, consistent with the accepted practice for land, depreciation is not recognized on donated works of art. Repairs and maintenance are charged to expense as incurred. When assets are sold or retired, the cost and related accumulated depreciation or amortization are removed from the accounts and gains or losses, if any, are recognized currently.

The estimated useful lives used in determining depreciation and amortization are:

	Useful life
Buildings and improvements	10 - 39 years
Leasehold improvements	5 - 15 years
Equipment	5 - 10 years
Vehicles	5 years

Leasehold improvements are depreciated over the shorter of the estimated useful life or lease terms.

Long-Lived Assets

The Organization reviews its long-lived assets for possible impairment at least annually, and more frequently if circumstances warrant. Impairment is determined to exist when estimated amounts recoverable through future cash flows from operations on an undiscounted basis are less than the long-lived asset carrying values. If a long-lived asset is determined to be impaired, it is written down to its estimated fair value to the extent that the carrying amount exceeds the fair value of the long-lived asset. No write-downs for impairment of long-lived assets were recorded during the years ended June 30, 2023 and 2022.

Restricted Cash

Restricted cash represents collateralized funds for the promissory mortgage note payable. Amounts restricted for this purpose at June 30, 2023 and 2022 were \$347,800, respectively.

Deferred Revenue

Grant funding received in advance and program fees collected in advance for the following year are recorded as deferred revenue at year end.

Revenue Recognition - Contributions

Transfers of cash or other assets or settlements of liabilities that are both voluntary and nonreciprocal are recognized as contributions.

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Notes to Combined Financial Statements

Allocations

The Organization receives allocations from the Federation, under a beneficiary agency program, and from other unaffiliated not-for-profit organizations. Allocation revenue is recognized as revenue with donor restrictions when written documentation of the unconditional promise is made and received.

Contribution Revenue and Unconditional Promises to Give

Contributions may either be conditional or unconditional. A contribution is considered conditional when the donor imposes both a barrier and a right of return. Conditional contributions are recognized as revenue on the date all donor-imposed barriers are overcome or explicitly waived by the donor. Barriers may include specific and measurable outcomes, limitations on the performance of an activity and other stipulations related to the contribution. A donor has a right of return of any assets transferred or a right of release of its obligation to transfer any assets in the event the Organization fails to overcome one or more barriers. Assets received before the barrier is overcome are accounted for as refundable advances. As of June 30, 2023 and 2022, the Organization does not have any conditional contributions that have not been recognized as revenue.

Unconditional contributions may or may not be subject to donor-imposed restrictions. Donor-imposed restrictions limit the use of the donated assets but are less specific than donor-imposed conditions. Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. Contributions are considered to be available for general operations of the Organization unless specifically restricted by the donor. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations about the use of the donated assets, or if they are designated as support for future periods.

When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Combined Statements of Activities as "net assets released from restrictions." Donor-restricted contributions whose restrictions are met in the same reporting period in which received are reported as net assets without donor restrictions.

Contracts and Grants

Grants are evaluated as to whether they qualify as exchange transactions or contributions as defined by U.S. GAAP. Grants that primarily provide commensurate value to the general public are reported as contributions and recognized as the eligible grant activities are conducted.

Contributed Services

The Organization receives services from a large number of volunteers who give significant amounts of their time to the Organization's programs, fundraising campaigns and management that do not meet the criteria of specialized skills for recognition in the combined financial statements.

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Notes to Combined Financial Statements

Revenue Recognition - Exchange Transactions

Reciprocal transfers in which each party receives and sacrifices goods or services with approximate commensurate value are recognized as exchange transactions. The Organization applies *Revenue from Contracts with Customers* "Topic 606" to exchange transactions in which it receives consideration from individuals for program services offered. Under U.S. GAAP, these arrangements are exchange transactions between the Organization and the individuals participating in the Organization's programs. The Organization recognizes revenue when the performance obligations are satisfied in accordance with a five-step model.

Net Patient Service Revenue

The Organization has established a sliding fee schedule wherein the clients are expected to pay amounts based upon their individual financial ability. Client payments received in advance of the patient services are included in deferred revenue until the patient services are performed. Patient service revenues are recognized at the time services are provided by the Organization. Revenue is presented net of contractual adjustments.

Contractual adjustments result from the difference between the Organization's rates for services performed and reimbursements by government-sponsored healthcare programs and insurance companies for such services. Patient services rendered to Medicare program beneficiaries are reimbursed at a predictable rate with final settlement determined after an audit by the Medicare fiscal intermediary.

Net Patient service revenue is presented as follows in the Combined Statements of Activities:

<u>Year ended June 30,</u>	<u>2023</u>	<u>2022</u>
Net Patient service revenue	\$ 3,462,793	\$ 3,602,272
Revenue Subject to ASC 606	\$ 3,462,793	\$ 3,602,272

The Organization did not have any contract assets or contract liabilities in relation to patient service revenue as of June 30, 2023 and 2022.

As substantially all of its performance obligations relate to established rate agreements with a duration of less than one year, the Organization has elected to apply the optional exemption provided in Accounting Standards Update ("ASU") 2014-09 and, therefore, is not required to disclose the aggregate amount of the transactions price allocated to performance obligations that are unsatisfied or partially satisfied at the end of the reporting period.

Leases

On July 1, 2022, the Organization adopted Accounting Standards Update (ASU) No. 2016-02, Leases, and the subsequent amendments to the initial guidance collectively referred to as Topic 842, using the alternative transition method. Therefore, results for reporting periods beginning after July 1, 2022, are presented under Topic 842, while comparative information has not been restated and continues to be reported under ASC Topic 840, *Leases*.

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Ferd and Gladys Alpert Jewish Family & Children's Service of Palm Beach County, Inc. and Affiliates

Notes to Combined Financial Statements

Lessee

The Organization enters into lease arrangements as a lessee primarily for buildings and office space. At its inception, the Organization determines whether an arrangement is or contains a lease, which includes classifying the lease as an operating or finance lease. A lease exists when a contract conveys to the customer the right to control the use of identified property or equipment for a period of time in exchange for consideration. The definition of a lease embodies two conditions: (i) there is an identified asset in the contract that is land or a depreciable asset (i.e., property and equipment), and (ii) the customer has the right to control the use of the identified asset. The Organization recognizes a right-of-use (ROU) asset and lease liability on the Combined Statements of Financial Position for all leases with a term longer than 12 months, including renewals options reasonably certain to be exercised. ROU assets represent the Organization's right to use an underlying asset for the lease term. Lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets and liabilities are classified and recognized at the commencement date.

Lease liabilities are measured based on the present value of fixed lease payments over the lease term, discounted at the appropriate rate. The Organization has made an accounting policy to apply a risk-free rate as the discount rate used to measure lease liabilities and ROU assets at commencement of a lease. ROU assets consist of (i) initial measurement of the lease liability; (ii) lease payments made to the lessor at or before the commencement date less any lease incentives received; and (iii) initial direct costs incurred by the Organization.

The ROU asset is subsequently measured throughout the lease term at the carrying amount of the lease liability, plus initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received. Lease expense for lease payments is recognized on a straight-line basis over the lease term. Lease incentives are included as a receivable as of the commencement date.

Key estimates and judgments included in the initial measurement of ROU assets and liabilities include (I) the discount rate used to discount the unpaid lease payments to present value, (II) lease term and (III) lease payments.

- I. The risk-free discount rate for the lease determined using a period comparable with that of a lease term.
- II. The lease term for leases includes the noncancelable period of the lease plus any additional periods covered by either a lessee option to extend (or not to terminate) the lease that the lessee is reasonably certain to exercise, or an option to extend (or not to terminate) the lease controlled by the lessor.
- III. Lease payments included in the measurement of the lease asset or liability comprise the following: (i) fixed payments (including in-substance fixed payments), (ii) variable payments that depend on index or rate based on the index or rate at lease commencement, (iii) the exercise price of a lessee option to purchase the underlying asset if the lessee is reasonably certain to exercise, (iv) payments for penalties for terminating the lease if the lessee is reasonably certain to exercise, and (v) amounts probable of being owed under residual value guarantees.

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Variable lease payments that depend on an index or a rate (such as the Consumer Price Index or a market interest rate) are included in the measurement of ROU assets and lease liabilities using the index or rate at the commencement date. Variable lease payments that do not depend on an index or a rate are excluded from the measurement of ROU assets and lease liabilities and are recognized in the period in which the event, activity, or circumstance in the lease agreement on which those payments are assessed occur. Variable lease payments related to the Organization's operating leases include costs such as property taxes, insurance, and common area maintenance and are recognized in the caption "Rent" in the Combined Statement of Functional Expenses in the period in which the obligation for those payments is incurred.

The Organization monitors events or changes in circumstances that require a reassessment of a lease. When a reassessment results in the remeasurement of a lease liability, a corresponding adjustment is made to the carrying amount of the corresponding ROU asset unless doing so would reduce the carrying amount of the ROU asset to an amount less than zero. In that case, the amount of the adjustment that would result in a negative ROU asset balance is recorded in the caption "Rent" in the Combined Statement of Functional Expenses.

Lessor

The Organization leases office space to various third parties under noncancelable leases. Refer to Note 13 for further details.

The Organization classifies its leases at inception as operating, direct financing or sales-type leases. A lease is classified as a sales-type lease if at least one of the following criteria is met: (1) the lease transfers ownership of the underlying asset to the lessee, (2) the lease grants the lessee an option to purchase the underlying asset that the lessee is reasonably certain to exercise, (3) the lease term is for a major part of the remaining economic life of the underlying asset, (4) the present value of the sum of the lease payments equals or exceeds substantially all of the fair value of the underlying assets or (5) the underlying asset is of such a specialized nature that it is expected to have no alternative use to the lessor at the end of the lease term. When none of the above criteria is met, a lease is classified as a direct financing lease if both of the following criteria are met: (1) the present value of the sum of the lease payments and any residual value guaranteed by the lessee, that is not already reflected in the lease payments, equals or exceeds the fair value of the underlying asset and (2) it is probable that the lessor will collect the lease payments plus any amount necessary to satisfy a residual value guarantee. A lease is classified as an operating lease if it does not qualify as a sales-type or direct financing lease.

Certain lease arrangements contain both lease and non-lease components, primarily for maintenance services related to the leased asset. In such circumstances, the Organization allocates the consideration in the contract to the lease and non-lease components based on the readily determinable stand-alone selling price for each component.

Key estimates and judgments included in lessor arrangements include (i) the rate implicit in the lease, which is used to determine the present value of unpaid lease payments, (ii) lease term, which includes the noncancelable period of the lease plus any additional periods covered by either a lessee option to extend (or not to terminate) the lease that the lessee is reasonably certain to exercise, or an option to extend (or not to terminate) the lease controlled by the lessor, (iii) lease payments which includes fixed payments, variable payments that depend on index or rate based on the index or rate at lease commencement, and the exercise price of a lessee option to purchase the underlying asset, and (iv) the fair value and remaining economic life of the underlying asset, all of which can impact the classification and accounting for the related lease as either operating, direct financing, or sales-type.

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Notes to Combined Financial Statements

Allocation of Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis and by natural classification in the Combined Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and support services benefited. Expenses that can be directly identified with the program or supporting service are reported as expenses of those functional areas. Personnel expenses are allocated on the basis of estimated time and effort. Other expenses are allocated among program and supporting services based on the same basis of estimated time and effort used for personnel expenses.

Income Taxes

JFCS and JRFS are exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code (the "Code") of 1986, as amended. Accordingly, no provision for income taxes has been recorded. In addition, the Organization has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Code. There was no unrelated business income for each of the years ended June 30, 2023 and 2022.

The Organization recognizes, and measures tax positions based on their technical merit and assesses the likelihood that the positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. Interest and penalties on tax liabilities, if any, would be recorded in interest expense and other non-interest expense, respectively.

The Organization does not believe it has taken any material uncertain tax positions and, accordingly, it has not recorded any liability for unrecognized tax benefits. The Organization is subject to routine audits by a taxing authority. As of June 30, 2023 and 2022, the Organization was not subject to any examination by a taxing authority.

Adopted Accounting Pronouncement

Lease Accounting

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU No. 2016-02, *Leases* and issued subsequent amendments to the initial guidance, (Topic 842). Topic 842 replaces the guidance in former ASC Topic 840, *Leases*. The new lease guidance increases transparency and comparability among organizations by requiring the recognition of the following for all leases (with the exception of short-term leases) at the commencement date: (1) a lease liability, which is a lessee's future obligation to make lease payments arising from a lease, measured on a discounted basis; and (2) a ROU asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. Topic 842 allows entities to adopt with one of two methods: the modified retrospective transition method or the alternative transition method.

On July 1, 2022, the Organization adopted Topic 842 using the alternative transition method. Therefore, results for reporting periods beginning after July 1, 2022, are presented under Topic 842, while comparative information has not been restated and continues to be reported under ASC Topic 840, *Leases*.

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Notes to Combined Financial Statements

In adopting the new guidance, the Organization elected to apply the package of practical expedients permitted under the transition guidance which allows the Organization not to reassess (1) whether any expired or existing contracts contain leases under the new definition of a lease; (2) the lease classification for any expired or existing leases; and (3) whether previously capitalized initial direct costs would qualify for capitalization under ASC 842. The Organization has also elected the following practical expedients: (1) not to separate lease components from non-lease components, (2) not to assess at transition whether any expired or existing land easements are, or contain, leases if they were not previously accounted for as leases under Topic 840 and (3) as an accounting policy election, to apply the short-term lease exception, which does not require the capitalization of leases with terms of 12 months or less.

Upon adoption of Topic 842, the Organization recognized right of use assets, net of prepaid lease payments and lease incentives, from operating leases of approximately \$2,009,000 and corresponding lease liabilities of \$2,009,000 on the Combined Statements of Financial Position related to operating leases where the Organization is the lessee.

Recent Accounting Pronouncements - Not Implemented

Measurement of Credit Losses on Financial Instruments

In June 2016, the FASB issued ASU 2016-13 which will replace the current incurred loss impairment methodology in U.S. GAAP with a methodology that reflects the expected credit losses. The update is intended to provide financial statement users with more decision-useful information about expected credit losses. Also, the FASB has issued amendments to the update with transition relief intended to improve comparability of financial statement information for some entities, to decrease costs for some financial statement preparers, and to clarify some disclosures. This update is effective on a modified retrospective basis for financial statements issued for fiscal years beginning after December 15, 2022, and interim periods within those fiscal years. Early adoption is permitted for fiscal years beginning after December 15, 2018 including interim periods in those fiscal years. The Organization is currently evaluating the effect the update will have on its combined financial statements.

Reclassification

Certain items in the 2022 combined financial statements were reclassified to conform with the 2023 presentation.

2. Liquidity Management

The Organization maintains an informal policy of structuring its financial assets to be available as general expenditures, liabilities and other obligations come due. The Organization holds cash in various interest-bearing bank accounts with well-known financial institutions. Furthermore, the executive committee as well as the board reviews the Combined Statements of Financial Position and Combined Statements of Activities periodically. In addition, the Organization can also draw upon its board-designated funds totaling \$327,200 at the board's discretion and approval.

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Notes to Combined Financial Statements

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

<u>June 30,</u>	<u>2023</u>	<u>2022</u>
Cash	\$ 2,121,772	\$ 3,735,631
Investments at fair value	462,926	428,968
Accounts receivable:		
Jewish Federation of Palm Beach County, Inc.	570,832	431,317
Client charges	388,270	465,739
Grants	1,359	1,287
United Way of Palm Beach County, Inc.	82,633	55,000
Promises to give, net	359,100	75,000
Bequests receivable	-	50,930
Restricted cash	347,800	347,800
Total Current Financial Assets	4,334,692	5,591,672
Less: amounts unavailable for general expenditures within one year:		
Donor restricted assets	460,456	285,708
Board designated funds unavailable without board approval	675,000	675,000
Total Financial Assets Available for General Expenditure within One Year	\$ 3,199,236	\$ 4,630,964

During the year ended June 30, 2023, the Organization received an advance on its 2023-2024 allocation from the Jewish Federation of Palm Beach County Inc. in the amount of \$611,696. This advance is available for general expenditures within the 2023-2024 fiscal year.

During the year ended June 30, 2022, the Organization received an advance on its 2022-2023 allocation from the Jewish Federation of Palm Beach County Inc. in the amount of \$461,696. This advance was available for general expenditures within the 2022-2023 fiscal year.

3. Investments at Fair Value and Fair Value Measurements

The FASB Accounting Standards Codification ("ASC") 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

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Notes to Combined Financial Statements

The three levels of the fair value hierarchy under FASB ASC 820 are described below:

- *Level 1* - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.
- *Level 2* - Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in inactive markets; inputs other than quoted market prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- *Level 3* - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Following is a description of the valuation methodologies used for assets measured at fair value.

Money market funds - Valued at cost, which approximates fair value.

Fixed income bonds - Valued at the closing price reported in the active market in which the individual securities are traded.

Equity securities - Securities managed by independent investment advisors with discretionary investment authority.

Bond funds - Valued at the closing price reported in the active market in which the individual securities are traded.

Exchange traded funds - Valued at the closing price reported in the active market in which the individual securities are traded.

Other assets - Valued at the closing price reported in the active market in which the individual securities are traded.

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Notes to Combined Financial Statements

The following tables set forth by level, within the fair value hierarchy, the Organization's investments at fair value:

Fair Value Measurements						
		Quoted Prices In Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Other Unobservable Inputs		
June 30, 2023	Fair Value	(Level 1)	(Level 2)	(Level 3)		
Assets:						
Money market funds	\$ 9,030	\$ 9,030	\$ -	\$ -		
Other assets	8,397	8,397	-	-		
Equities:						
Equity funds	176,671	176,671	-	-		
Bond funds	60,052	60,052	-	-		
Exchange traded funds	60,852	60,852	-	-		
Total assets in the fair value hierarchy	\$ 315,002	315,002	-	-		
Investments measured at net asset value *	147,924	-	-	-		
Total investments at fair value	\$ 462,926	\$ 315,002	\$ -	\$ -		
Fair Value Measurements						
		Quoted Prices In Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Other Unobservable Inputs		
June 30, 2022	Fair Value	(Level 1)	(Level 2)	(Level 3)		
Assets:						
Money market funds	\$ 2,988	\$ 2,988	\$ -	\$ -		
Other assets	3,368	3,368	-	-		
Equities:						
Equity funds	221,674	221,674	-	-		
Bond funds	45,501	45,501	-	-		
Exchange traded funds	16,740	16,740	-	-		
Total assets in the fair value hierarchy	290,271	290,271	-	-		
Investments measured at net asset value *	138,697	-	-	-		
Total investments at fair value	\$ 428,968	\$ 290,271	\$ -	\$ -		

(*) In accordance with Subtopic 820-10, certain investments that are measured at NAV per share (or its equivalent) have not been classified in the fair value hierarchy.

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Notes to Combined Financial Statements

4. Investment in the Medicaid Pooled Trust

The Trust (Note 1), was established to assist the disabled by making financial resources available for care while assisting in qualifying the individual for Medicaid. The value of the assets was approximately \$8,269,000 and \$7,080,000 as of June 30, 2023 and 2022, respectively. The funds in the Trust are the assets and liabilities of the Organization for the primary benefit of the participants and are included in the accompanying combined financial statements. The Organization charges 1.75% per annum for the administration of the Trust. Revenues generated from the fee are split with the attorney that assists the Organization in administrating the Trust. Revenue recorded in the Combined Statements of Activities for the years ended June 30, 2023 and 2022 totaled approximately \$71,000 and \$97,000, respectively, and is reflected within the caption "Other."

Upon death, the participants in the Trust have the option to leave any remainder interest in the Trust to the beneficiaries of the Trust or have the residual interest distributed to the surviving descendants after all Medicaid liens have been satisfied.

The following tables set forth by level, within the fair value hierarchy, the Organization's investments in the trust at fair value as of June 30, 2023 and 2022:

Fair Value Measurements at June 30, 2023						
	June 30, 2023	Quoted Prices				
		Fair value	(Level 1)	In Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Other Unobservable Inputs
Money market mutual funds	\$ 491,422	\$ 491,422	\$	-	\$	-
Fixed income bonds	4,569,089		4,569,089		-	-
Equity Funds	3,062,693		3,062,693		-	-
Bond funds	145,595		145,595		-	-
Total Assets in the Fair Value Hierarchy	\$ 8,268,799	\$ 8,268,799	\$	-	\$	-

Fair Value Measurements at June 30, 2022						
	June 30, 2022	Quoted Prices				
		Fair value	(Level 1)	In Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Other Unobservable Inputs
Money market mutual funds	\$ 237,892	\$ 237,892	\$	-	\$	-
Fixed income bonds	2,416,095		2,416,095		-	-
Equity funds	3,617,954		3,617,954		-	-
Bond funds	719,070		719,070		-	-
Exchange traded funds	32,061		32,061		-	-
Other Assets	56,745		56,745		-	-
Total Assets in the Fair Value Hierarchy	\$ 7,079,817	\$ 7,079,817	\$	-	\$	-

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Notes to Combined Financial Statements

Investment income (loss), net is as follows:

<i>Year Ended June 30, 2023</i>	Investments within Brokerage Accounts	Investments held at the Federation (**)	Total
Interest and dividend income	\$ 5,466	\$ 3,922	\$ 9,388
Net realized/unrealized gains	24,576	12,204	36,780
Fees	(1,087)	(386)	(1,473)
 Investment income	 \$ 28,955	 \$ 15,740	 \$ 44,695
<i>Year Ended June 30, 2022</i>	Investments within Brokerage Accounts	Investments held at the Federation (**)	Total
Interest and dividend income	\$ 280	\$ 2,988	\$ 3,268
Net realized/unrealized losses	(49,776)	(23,391)	(73,167)
Fees	(215)	(428)	(643)
 Investment losses	 \$ (49,711)	 \$ (20,831)	 \$ (70,542)

(**) Investments consist of investments held and administered by the Federation. Investments are carried at NAV. The Investments held at the Federation and valued at NAV have no unfunded commitments at June 30, 2023 and 2022. Additionally, there are no explicit restrictions on the redemptions of such investments.

5. Promises to Give, Net

Promises to give, net consisted of the following at June 30, 2023:

<i>June 30, 2023</i>	Net assets without donor restrictions	Net assets with donor restrictions	Total
Gross promises to give	\$ 334,100	\$ 150,000	\$ 484,100
Less: Discount on long-term promises to give	-	(6,657)	(6,657)
 Promises to give, net	 \$ 334,100	 \$ 143,343	 \$ 477,443

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Notes to Combined Financial Statements

Promises to give, net consisted of the following at June 30, 2022:

<i>June 30, 2022</i>	Net assets without donor restrictions	Net assets with donor restrictions	Total
Gross promises to give	\$ -	\$ 275,000	\$ 275,000
Less: Discount on long-term promises to give	-	(14,093)	(14,093)
Promises to give, net	\$ -	\$ 260,907	\$ 260,907

Pledges which are due within one year are reported at their net realizable value. Pledges which are due after one year, have been discounted using a rate of 4% for the year ended June 30, 2023 and 2022. For the year ended June 30, 2023 and 2022, there was no bad debt expense related to unconditional promises to give.

Payments due on contributions receivable are as follows:

<i>June 30,</i>	2023	2022
Less than one year	\$ 359,100	\$ 75,000
One to four years	125,000	200,000
 Gross promises to give	 484,100	 275,000
 Less: Discount on long-term promises to give	 (6,657)	 (14,093)
 Promises to give, net	 \$ 477,443	 \$ 260,907

6. Equity Method Investment in Affiliate

The Organization's membership interest and aggregate capital contributions to JFS Comforcare Services, LLC ("Comforcare") are as follows:

	Percentage of Ownership	Capital contributions
JFCS	50.00%	\$ 62,375
Comforcare	50.00%	62,375
 Total	 100%	 \$ 124,750

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Notes to Combined Financial Statements

Below is a summary of the unaudited financial data of JFS Comforcare Services, LLC as of and for the years ended June 30, 2023 and 2022:

<u>June 30,</u>	<u>2023</u>	<u>2022</u>
Combined Statement of Financial Position:		
Assets	\$ 642,162	\$ 606,078
Liabilities	-	-
Equity	642,162	606,078
Combined Statement of Activities:		
Revenue	2,688,456	2,442,631
Expense	1,893,052	1,775,774
Net Income	\$ 795,404	\$ 666,857
The Organization's share of net income	\$ 397,702	\$ 333,429

The Organization received distributions from Comforcare in the amount of \$390,000 and \$100,000 during the years ended June 30, 2023 and 2022, respectively.

Additionally, during the years ended June 30, 2023 and 2022, the Organization paid approximately \$849,000 and \$607,000 for services performed by Comforcare. As of June 30, 2023 and 2022, the Organization owed Comforcare approximately \$32,000 and \$213,000, respectively and is presented within the caption "Accounts payable and accrued expenses" on the Combined Statements of Financial Position.

7. Property and Equipment, Net

Property and equipment, net consists of the following:

<u>June 30,</u>	<u>2023</u>	<u>2022</u>
Land	\$ 600,006	\$ 670,716
Buildings and improvements	4,370,330	4,693,548
Equipment	726,460	648,985
Vehicles	437,086	437,086
Construction in progress	732,915	18,959
Donated works of art	158,325	158,325
	7,025,122	6,627,619
Less: Accumulated depreciation and amortization	(3,373,513)	(3,461,241)
Property and Equipment, net	\$ 3,651,609	\$ 3,166,378

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Notes to Combined Financial Statements

Depreciation and amortization expense was approximately \$233,000 and \$220,000 the years ended June 30, 2023 and 2022, respectively.

Properties Held for Sale

As of June 30, 2022, the Haverhill group home was held for sale. The Organization stopped depreciating the group home on March 25, 2022, which is the date the Organization was given approval from the board of directors to list the Group home as held for sale. The historical cost of Haverhill Group home was approximately \$419,000. The accumulated depreciation on the Haverhill Group Home was approximately \$320,000. The Organization sold the Haverhill Group Home on October 28, 2022 and received net sales proceeds of \$741,321 and recorded a corresponding gain on disposal of \$642,680. The Organization disposed of assets with a net book value of \$98,640 relating to the sale of the Haverhill Group Home during the year ended June 30, 2023.

As of June 30, 2023, the Dekelboum group home was held for sale. The Organization stopped depreciating the group home on September 9, 2022, which is the date the Organization was given approval from the board of directors to list the Group home as held for sale. The historical cost of Dekelboum Group home was approximately \$357,000. The accumulated depreciation on the Dekelboum Group Home was approximately \$276,000. The Organization sold the Dekelboum Group Home on August 28, 2023 and received net sales proceeds of \$594,211 and recorded a corresponding gain on disposal of \$512,717. The Organization disposed of assets with a net book value of \$81,494 relating to the sale of the Dekelboum Group Home subsequent to the year ended June 30, 2023 (Note 18).

8. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of the following:

<u>June 30,</u>	<u>2023</u>	<u>2022</u>
Accounts payable	\$ 277,022	\$ 66,113
Accrued payroll	128,004	122,837
Accrued vacation	272,666	245,794
Holocaust accrued expenses	1,996,156	3,017,305
Other accruals	129,670	64,412
	<hr/> \$ 2,803,518	<hr/> \$ 3,516,461

9. Notes Payable

In March 2014, the Organization entered into a \$3,125,000 promissory mortgage note payable with a financial institution. This loan was modified and consolidated during the year ended June 30, 2022. The loan was renewed for 10 years and matures in April 2032. The interest rate is fixed at 4.0% for the first seven years through April 2029. The interest rate for the remaining three years shall be adjusted to 3.0% in excess of the weekly average yield on United States Treasury Securities. The interest rate on the loan shall never fall below 4%. The interest rate for each of the years ending June 30, 2023 and 2022 was 4.0%. The note is repayable in consecutive monthly installments of principal and interest based on an 18 year amortization. The initial monthly payments for the fixed

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Notes to Combined Financial Statements

term of the loan are \$17,574. This note is collateralized by the 5841 Corporate Way building. As of June 30, 2023 and 2022, the Organization had restricted cash of \$347,800 related to collateral on the mortgage.

Future maturities of the notes payable at June 30, 2023 are as follows:

Years ending June 30,

2024	\$	209,909
2025		209,909
2026		209,909
2027		209,909
2028		209,909
Thereafter		1,519,803
<hr/>		
Less: Deferred issuance costs		(16,483)
<hr/>		
	\$	2,552,865

Interest charged to expense for the notes payable for the years ended June 30, 2023 and 2022 was approximately \$98,000 and \$107,000, respectively.

10. Line of Credit

During the year ended June 30, 2022, the Organization had a line of credit in the amount of \$500,000. The Organization renewed the line of credit in March 2023. The amended line of credit matures in March 2024. The borrowing base was amended and increased to \$1,000,000 and bears variable interest at the prime rate. At June 30, 2023 and 2022, the interest rate on the line of credit was 8.25% and 5.25%, respectively. At June 30, 2023, there was an outstanding balance of approximately \$520,000. At June 30, 2022, there was no outstanding balance due on the line of credit. For the year ended June 30, 2023, interest expense on the line of credit was approximately \$16,000. For the year ended June 30, 2022, interest expense on the line of credit was \$0. The line of credit is collateralized by all of the Organization's assets.

11. Employee Benefit Plan

The Organization sponsors a Tax-Sheltered Annuity Plan (the "Plan") under Section 403(b) of the Code. The Plan allows employee elective deferrals up to a maximum of 100% of compensation, not to exceed the Code elective deferral limits. The Plan was amended to eliminate the employer match provision.

The Plan also provides for employer discretionary contributions, made on behalf of the employee without regard to the amount of the elective deferral. The employer discretionary contribution is determined annually at the sole discretion of the Organization. For the years ended June 30, 2023 and 2022, no employer discretionary contributions were made to the Plan.

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Notes to Combined Financial Statements

12. Transactions with the Jewish Federation of Palm Beach County, Inc.

For each of the years ended June 30, 2023 and 2022, the Organization recorded allocation revenue from the Federation of approximately \$462,000, which is included within the Combined Statements of Activities within "Contributions from Federation."

To assist with the payment of the mortgage loan for the building owned by the Organization at 5841 Corporate Way, the Federation made a conditional payment to the Organization in the amount of \$195,000 per year, which is included in the Combined Statements of Activities within "Contributions from Federation." Payments began May 2008 and were supposed to continue for the shorter of 15 years or the duration of the mortgage. The payments ceased on May 2023 as the Federation contributed the allocation for the entirety of the 15 year duration. During the year ended June 30, 2023 and 2022, the Organization received \$162,500 and \$195,000, respectively, from the Federation to assist with rent payments towards the 5841 building.

During the year ended June 30, 2023, the Federation made a restricted contribution to the Organization in the amount of \$150,000 to assist with paying the new leases which were entered into in November 2022. The Organization recorded this under the caption "Contributions from the Federation". The Organization did not make any payments under these leases during the years ended June 30, 2023 and 2022.

Additionally, during the years ended June 30, 2023 and 2022, the Organization received approximately \$161,000 and \$123,000, respectively, in revenue from the Federation's senior service subsidy program. The senior service subsidy monies are contingent upon need and are used to subsidize patient service fees; as such, senior service subsidy revenue is reflected in the Combined Statements of Activities as "Net Patient service revenue" when earned.

The Federation has endowment funds that distribute income to the Organization annually and will continue in perpetuity provided the Organization provides services consistent with the funds' designated purposes. These funds are assets of the Federation, and as such, are not included in the accompanying combined financial statements. As of June 30, 2023 and 2022, these balances were approximately \$3,951,000 and \$3,927,000, respectively. Contributions from the endowment funds were approximately \$194,000 and \$238,000 for the years ended June 30, 2023 and 2022, respectively, and are reflected in the Combined Statements of Activities as "Contributions".

Total receivables due from the Federation at June 30, 2023 and 2022 amounted to approximately \$571,000 and \$431,000, respectively. These receivables are due in less than one year. Revenue from the Federation, excluding donor directed contributions, represents approximately 5% and 4%, respectively, of total public support and revenues for the years ended June 30, 2023 and 2022.

13. Operating Leases

Leases - Lessee

In April 2008, 5841 purchased the building in which the Organization leased its office space. On April 11, 2008, JFCS entered into an open-ended lease for office space beginning May 1, 2008 with 5841. Rent of \$25,000 is payable monthly. For each of the years ended June 30, 2023 and 2022, 5841 recorded rental income of \$300,000 and JFCS recorded rent expense of \$300,000. The rent revenue in 5841 and rent expense in JFCS is eliminated in these combined financial statements.

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Notes to Combined Financial Statements

In connection with the acquisition of the building, the Federation agreed to provide an annual allocation of \$195,000 for occupancy expenses for the shorter of fifteen years or the duration of the mortgage on the building (Note 12). Due to this contingency in the agreement, the Organization recorded the allocation for occupancy expense as time lapses and costs are incurred rather than at inception. In May 2023, the annual allocation ceased as the Federation contributed the allocation for the entirety of the 15 year duration.

In November 2022, JFCS entered into a noncancelable lease for office space for 120 months. The lease has 2 renewal options which can be exercised at the lessee's discretion. The renewal options can extend the lease duration for up to a period of 5 years each. Management has asserted that it is not reasonably certain that JRFS will exercise the renewal options. The lease is discounted based on the risk-free rate. Rent charged to JFCS for occupying the lease will increase annually based on the Consumer Price Index.

In November 2022, JRFS entered into a noncancelable lease for office space for 120 months. The lease has 2 renewal options which can be exercised at the lessee's discretion. The renewal options can extend the lease duration for up to a period of 5 years each. Management has asserted that it is not reasonably certain that JRFS will exercise the renewal options. The lease is discounted based on the risk free rate. Rent charged to JRFS for occupying the lease will be subject to annual rent increases.

JRFS leases apartments on an annual basis occupied by residents in the Organization's apartment program. Concurrent with the assumption of the lease, JRFS entered into an agreement with the residents for the rent amount charged by the landlord. The apartment leases are month to month leases and are accounted for via the short-term lease exemption.

JRFS leased a storage unit in Wellington, Florida from a third party. The lease is accounted for as a month-to-month leases and is disclosed under the caption below "Short-term lease costs".

The following summarizes the line items in the Combined Statements of Financial Position which include amounts for operating leases:

<u>June 30,</u>	<u>2023</u>
Assets	
Right-of-use assets, net	\$ 1,910,795
Operating lease - right of use assets, net	
	\$ 1,910,795
<u>June 30,</u>	<u>2023</u>
Liabilities	
Operating lease liabilities, current portion	\$ 241,679
Operating lease liabilities, net of current portion	1,808,120
Lease liabilities	\$ 2,049,799

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Notes to Combined Financial Statements

The components of operating lease expenses that are included in the caption "Rent" in the Combined Statement of Functional Expenses were as follows:

<i>Year Ended June 30,</i>	2023
Operating Lease cost:	
Fixed rent	\$ 139,004
Variable Lease costs	114,901
Short-term lease costs	<u>513,661</u>
 Total lease costs	 <u>\$ 767,566</u>

The following summarizes the supplemental information related to operating leases for the year ended June 30, 2023:

<i>June 30,</i>	2023
Right-of-use assets obtained in exchange for new lease liabilities	\$ 2,008,970
 Operating cash flows from operating leases	 98,175
 Weighted-average remaining lease term	 10 years
 Weighted-average discount rate	 <u>3.82%</u>

Approximate future minimum lease payments under non-cancelable operating leases as of June 30, 2023 is as follows:

<i>Year Ending June 30,</i>	
2024	\$ 241,679
2025	244,470
2026	247,332
2027	250,265
2028	253,272
Thereafter	<u>1,227,487</u>
 Total minimum lease payments	 2,464,505
 Less: amount representing interest	 <u>414,706</u>
 Present value of future minimum lease payments	 <u>\$ 2,049,799</u>

Rent expense for the years ended June 30, 2023 and 2022, pursuant to the above agreements was approximately \$747,000 and \$543,000, respectively.

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Notes to Combined Financial Statements

Leases - Lessor

The Organization leases office space in the building to two third-party tenants on a month-to-month basis. Rental income from these leases was approximately \$89,000 and \$84,000 for the years ended June 30, 2023 and 2022, respectively.

14. Grant Funding from the Claims Conference

The Organization utilized the following grants from the Claims Conference for the years ended June 30:

Grant Number	Contract Term	Total Award	Funding by year	
			2023	2022
GG25-34117	January 1, 2023 through December 31, 2023	\$ 8,819,826	\$ 4,297,893	\$ -
GG24-30002	January 1, 2022 through December 31, 2022	\$ 6,957,853	3,588,717	3,367,817
GG23-27108	January 1, 2021 through December 31, 2021	\$ 6,959,261	-	3,556,637
WF 13 - 31611	January 1, 2022 through December 31, 2022	\$ 32,258	32,258	-
			\$ 7,918,868	\$ 6,924,454

During the years ended June 30, 2023 and 2022, the Organization complied with the provisions of the Claims Conference grants. The grant funds were expended for the purpose for which they were granted. Additionally, the Organization recorded refundable advances relating to the Claims Conference grant which amounted to approximately \$74,000 and \$57,000 as of June 30, 2023 and 2022.

15. Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for time and purpose. The time restrictions will be met in future periods and the purpose restrictions will be met when the net assets are used for the specific purpose.

A portion of the total revenue of the Organization is received from the Federation. The Organization records the allocation for the next fiscal year as support with donor restrictions when notification from the Federation is received. The anticipated allocation for the years ending June 30, 2023 and 2022 is \$612,000 and \$462,000, respectively, and is recorded as support with donor restrictions on the Combined Statements of Activities within "Contributions from Federation". Additionally, during the year ended June 30, 2023, the Federation gave the Organization \$60,000 to implement new software. This was also included in the Combined Statement of Activities within "Contributions from the Federation". The Organization transfers this support to net assets without donor restrictions through net assets released from restrictions as the restriction is met.

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Net assets with donor restrictions are as follows:

Years Ending June 30,	Additions /			
	2022	Investments gain	Releases	2023
Subject to expenditure for a specific purpose:				
Promises to give, net	\$ 260,907	\$ -	\$ (67,564)	\$ 193,343
Contribution for software implementation	-	60,000	-	60,000
Allocation from Federation	461,696	611,696	(461,696)	611,696
Allocation from United Way of Palm Beach, Inc.	55,000	60,000	(55,000)	60,000
Total Purpose Restrictions	777,603	731,696	(584,260)	925,039
Endowment:				
Donor restricted endowment funds	120,000	-	-	120,000
Subject to endowment spending policy and appropriation	18,697	12,204	(2,977)	27,924
Total Endowment Restrictions	138,697	12,204	(2,977)	147,924
Total Net Assets with Donor Restrictions	\$ 916,300	\$ 743,900	\$ (587,237)	\$ 1,072,963
Years Ended June 30,	Additions /	Investments gain		
	2021	(loss)	Releases	2022
Subject to expenditure for a specific purpose:				
Promises to give, net	\$ 216,087	\$ 242,227	\$ (197,407)	\$ 260,907
Allocation from Federation	461,696	461,696	(461,696)	461,696
Allocation from United Way of Palm Beach, Inc.	60,500	55,000	(60,500)	55,000
Total Purpose Restrictions	738,283	758,923	(719,603)	777,603
Endowment:				
Donor restricted endowment funds	120,000	-	-	120,000
Subject to endowment spending policy and appropriation	43,647	(20,831)	(4,119)	18,697
Total Endowment Restrictions	163,647	(20,831)	(4,119)	138,697
Total Net Assets with Donor Restrictions	\$ 901,930	\$ 738,092	\$ (723,722)	\$ 916,300

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16. Endowments

The Organization's endowments consist of two individual endowments established for a variety of purposes. Its endowments are comprised of donor-restricted endowment funds. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The State of Florida adopted the Florida Uniform Prudent Management of Institutional Funds Act ("FUPMIFA"). The Organization has interpreted the FUPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) changes to the permanent endowment made in accordance with the direction of the applicable donor gift instrument.

Also included in net assets with donor restrictions is accumulated appreciation on donor restricted endowment funds until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by the FUPMIFA, and deficiencies associated with funds where the value of the fund has fallen below the original value of the gift.

The Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the 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 policy of the Organization

For the years ended June 30, 2023 and 2022, the Organization has elected not to add appreciation for cost of living or other spending policies to its donor restricted endowment for inflation and other economic conditions.

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Notes to Combined Financial Statements

Summary of Endowment Net Assets at June 30, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 120,000	\$ 120,000
Accumulated investment gains	- -	27,924	27,924
Total Endowment Funds	\$ -	\$ 147,924	\$ 147,924

Summary of Endowment Net Assets at June 30, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 120,000	\$ 120,000
Accumulated investment gains	- -	18,697	18,697
Total Endowment Funds	\$ -	\$ 138,697	\$ 138,697

Changes in Endowment Net Assets for the Year Ended June 30, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Net Assets, June 30, 2022	\$ -	\$ 138,697	\$ 138,697
Released from restriction and appropriated for expenditure	- -	(2,977)	(2,977)
Investment income, net	- -	12,204	12,204
Net Assets, June 30, 2023	\$ -	\$ 147,924	\$ 147,924

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Notes to Combined Financial Statements

Changes in Endowment Net Assets for the Year Ended June 30, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Net Assets, June 30, 2021	\$ -	\$ 163,647	\$ 163,647
Released from restriction and appropriated for expenditure	- -	(4,119)	(4,119)
Investment income, net	- -	(20,831)	(20,831)
Net Assets, June 30, 2022	\$ -	\$ 138,697	\$ 138,697

The endowment assets are as follows:

<i>June 30,</i>	<i>2023</i>	<i>2022</i>
Investments, at fair value	\$ 147,924	\$ 138,697

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or FUPMIFA requires the Organization to retain as a fund of perpetual duration. There were no such deficiencies as of June 30, 2023 and 2022.

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets consist of assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period(s). The Organization expects its endowment funds, over time, to provide a rate of return in excess of the original donor restricted principal. Actual returns in any given year may vary.

Strategies Employed for Achieving Objectives

To satisfy long-term rate-of-return objectives, the Organization's assets are invested in the Federations' pooled general account. The pooled general account investment strategy is to place emphasis on broad diversification to reduce portfolio volatility and maximize investment returns at appropriate levels of risk over time.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organization has a policy of appropriating distributions based on written agreements with the donors. The spending policy calculates the amount of money annually distributed from the Organization's endowment funds. The spending policy allows for the Organization to distribute an annual amount, of either 3% or 4%, of the respective fair value of the two endowment funds measured on a rolling average each January 1.

Ferd and Gladys Alpert Jewish Family & Children's Service of Palm Beach County, Inc. and Affiliates

Notes to Combined Financial Statements

This policy is consistent with the Organization's objective to maintain the purchasing power of endowment assets and to provide additional real growth through investment return.

17. Commitments and Contingencies

Litigation

The Organization is exposed to various asserted and unasserted potential claims encountered in the normal course of business. In the opinion of management, the resolution of these matters will not have an effect on the Organization's combined financial position or the combined results of activities.

Grants

Certain programs in which the Organization participates are subject to periodic audits by the granting agencies. Such audits may subject grant programs to compliance tests that may result in disallowed costs. In the opinion of management, future disallowances of grant expenditures, if any, would not have a material adverse effect on the combined financial condition of the Organization.

18. Subsequent Events

Management has evaluated subsequent events through December 18, 2023, which is the date these combined financial statements were available to be issued.

Sale of the Dekelboum Group Home

In August 2023, the Organization sold the Dekelboum Group Home owned and operated by the Melvin J & Claire Levine Jewish Residential & Family Services of Palm Beach County. The Organization received net sales proceeds of approximately \$594,000 and recorded a gain on disposal in the amount of approximately \$513,000 (Note 7).

Supplemental Schedules

Ferd and Gladys Alpert Jewish Family & Children's Service of Palm Beach County, Inc. and Affiliates

Combining Schedule of Financial Position

June 30, 2023	JFCS	5841	JRFS	Eliminations	Total
Assets					
Current Assets					
Cash and cash equivalents	\$ 1,975,030	\$ (1,253)	\$ 147,995	\$ -	\$ 2,121,772
Investments held in Medicaid Pooled Trust	8,268,799	-	-	-	8,268,799
Investments, at fair value	462,926	-	-	-	462,926
Due from affiliate	1,005,341	-	-	(1,005,341)	-
Accounts receivable:					
Jewish Federation of Palm Beach County, Inc.	570,832	-	-	-	570,832
Client charges, net	216,299	-	171,971	-	388,270
Grants	1,359	-	-	-	1,359
United Way receivable	82,633	-	-	-	82,633
Promises to give, net	359,100	-	-	-	359,100
Bequests receivable	-	-	-	-	-
Prepaid expenses and other assets	451,953	19,404	-	-	471,357
Property held for sale	-	-	81,494	-	81,494
Total Current Assets	13,394,272	18,151	401,460	(1,005,341)	12,808,542
Restricted cash	-	-	347,800	-	347,800
Promises to give, net of discount and current portion	118,343	-	-	-	118,343
Investment in JFS Comforcare Services, LLC	285,693	-	-	-	285,693
Property and equipment, net	540,502	2,353,934	757,173	-	3,651,609
Operating lease right of use assets, net	948,478	-	962,317	-	1,910,795
Total Assets	\$ 15,287,288	\$ 2,372,085	\$ 2,468,750	\$ (1,005,341)	\$ 19,122,782
Liabilities and Net Assets					
Current Liabilities					
Accounts payable and accrued expenses	\$ 2,523,228	\$ 58,848	\$ 239,586	\$ -	\$ 2,821,662
Line of credit	519,660	-	-	-	519,660
Medicaid Pooled Trust Investments held on behalf of others	8,268,799	-	-	-	8,268,799
Deferred revenue	97,033	14,742	176,252	-	288,027
Operating lease liabilities, current portion	130,000	-	111,679	-	241,679
Notes payable, current portion	-	109,162	-	-	109,162
Due to affiliate	-	927,110	78,231	(1,005,341)	-
Total Current Liabilities	11,538,720	1,109,862	605,748	(1,005,341)	12,248,989
Operating lease liabilities, net of current portion	889,255	-	918,865	-	1,808,120
Notes payable, less current portion and deferred loan costs	-	2,443,703	-	-	2,443,703
Total Liabilities	12,427,975	3,553,565	1,524,613	(1,005,341)	16,500,812
Net Assets					
Without donor restrictions					
Undesignated	1,786,350	(1,181,480)	269,137	-	874,007
Board-designated	-	-	675,000	-	675,000
Total Net Assets without Donor Restrictions	1,786,350	(1,181,480)	944,137	-	1,549,007
Total Net Assets with Donor Restrictions	1,072,963	-	-	-	1,072,963
Total Net Assets	2,859,313	(1,181,480)	944,137	-	2,621,970
Total Liabilities and Net Assets	\$ 15,287,288	\$ 2,372,085	\$ 2,468,750	\$ (1,005,341)	\$ 19,122,782

Ferd and Gladys Alpert Jewish Family & Children's Service of Palm Beach County, Inc. and Affiliates

Combining Schedule of Financial Position

June 30, 2022	JFCS	5841	JRFS	Eliminations	Total
Assets					
Current Assets					
Cash and cash equivalents	\$ 3,107,909	\$ (10,308)	\$ 638,030	\$ -	\$ 3,735,631
Investments held in Medicaid Pooled Trust	7,079,817	-	-	-	7,079,817
Investments, at fair value	428,968	-	-	-	428,968
Due from affiliate	1,209,083	-	-	(1,209,083)	-
Accounts receivable:					
Jewish Federation of Palm Beach County, Inc.	431,317	-	-	-	431,317
Client charges, net	243,825	-	221,914	-	465,739
Grants	1,287	-	-	-	1,287
United Way receivable	55,000	-	-	-	55,000
Promises to give, net	75,000	-	-	-	75,000
Bequests receivable	50,930	-	-	-	50,930
Prepaid expenses and other assets	208,960	58,403	(7,923)	-	259,440
Property held for sale	-	-	57,556	-	57,556
Total Current Assets	12,892,096	48,095	909,577	(1,209,083)	12,640,685
Restricted cash					
Promises to give, net of discount and current portion	185,907	-	-	-	185,907
Investment in JFS Comforcare Services, LLC	278,914	-	-	-	278,914
Property and equipment, net	482,151	2,390,886	293,341	-	3,166,378
Total Assets	\$ 13,839,068	\$ 2,438,981	\$ 1,550,718	\$ (1,209,083)	\$ 16,619,684
Liabilities and Net Assets					
Current Liabilities					
Accounts payable and accrued expenses	\$ 3,396,530	\$ 54,681	\$ 65,250	\$ -	\$ 3,516,461
Medicaid Pooled Trust Investments held on behalf of others	7,079,817	-	-	-	7,079,817
Deferred revenue	65,421	14,742	179,612	-	259,775
Line of Credit	-	-	-	-	-
Notes payable, current portion	-	104,888	-	-	104,888
Due to affiliate	-	730,673	478,410	(1,209,083)	-
Total Current Liabilities	10,541,768	904,984	723,272	(1,209,083)	10,960,941
Notes payable, less current portion and deferred loan costs	-	2,544,484	-	-	2,544,484
Total Liabilities	10,541,768	3,449,468	723,272	(1,209,083)	13,505,425
Net Assets					
Without donor restrictions					
Undesignated	2,381,000	(1,010,487)	152,446	-	1,522,959
Board-designated	-	-	675,000	-	675,000
Total Net Assets without Donor Restrictions	2,381,000	(1,010,487)	827,446	-	2,197,959
Total Net Assets with Donor Restrictions	916,300	-	-	-	916,300
Total Net Assets	3,297,300	(1,010,487)	827,446	-	3,114,259
Total Liabilities and Net Assets	\$ 13,839,068	\$ 2,438,981	\$ 1,550,718	\$ (1,209,083)	\$ 16,619,684

Ferd and Gladys Alpert Jewish Family & Children's Service of Palm Beach County, Inc. and Affiliates

Combining Schedule of Activities

<i>Year Ended June 30, 2023</i>	JFCS	5841	JRFS	Eliminations	Total
Public Support and Revenues					
without Donor Restrictions:					
Contributions from the Federation	\$ 125,873	\$ 9,571	\$ 27,056	\$ -	\$ 162,500
Contributions	1,939,657	-	375,068	-	2,314,725
Fundraising Events	567,750	-	-	-	567,750
Contracts and other grants	1,079,843	-	-	-	1,079,843
Claims Conference grant revenue	7,918,868	-	-	-	7,918,868
Net patient service revenue	1,496,345	-	1,966,448	-	3,462,793
Rental income	-	389,250	-	(300,000)	89,250
Income from joint venture	396,779	-	-	-	396,779
Investment loss, net	23,838	273	8,380	-	32,491
Other	99,336	946	30,989	(12,000)	119,271
Gain on sale of building	-	-	642,680	-	642,680
Net assets released from restrictions	587,237	-	-	-	587,237
Total Public Support and Revenues without Donor Restrictions	14,235,526	400,040	3,050,621	(312,000)	17,374,187
Expenses					
Program Services:					
Community services	1,109,712	-	-	(48,734)	1,060,978
Long-term care	9,220,815	-	-	(114,754)	9,106,061
Behavioral health	2,747,062	-	-	(67,298)	2,679,764
Residential	-	-	2,593,132	-	2,593,132
Total Program Services	13,077,589	-	2,593,132	(230,786)	15,439,935
Support Services:					
Fundraising and development	1,489,251	-	-	(39,624)	1,449,627
Management and general	263,336	571,033	340,798	(41,590)	1,133,577
Total Support Services	1,752,587	571,033	340,798	(81,214)	2,583,204
Total Expenses	14,830,176	571,033	2,933,930	(312,000)	18,023,139
Change in Net Assets without Donor Restrictions	(594,650)	(170,993)	116,691	-	(648,952)
Public Support and Revenues					
with Donor Restrictions					
Contributions from Federation	671,696	-	-	-	671,696
Contracts and grants	60,000	-	-	-	60,000
Investment income, net	12,204	-	-	-	12,204
Net assets released from restrictions	(587,237)	-	-	-	(587,237)
Total Public Support and Revenues with Donor Restrictions	156,663	-	-	-	156,663
Change in Net Assets with Donor Restrictions	156,663	-	-	-	156,663
Change in Net Assets	(437,987)	(170,993)	116,691	-	(492,289)
Net Assets, beginning of year	3,297,300.00	(1,010,487)	827,446	-	3,114,259
Net Assets, end of year	\$ 2,859,313	\$ (1,181,480)	\$ 944,137	\$ -	\$ 2,621,970

Ferd and Gladys Alpert Jewish Family & Children's Service of Palm Beach County, Inc. and Affiliates

Combining Schedule of Activities

<i>Year Ended June 30, 2022</i>	JFCS	5841	JRFS	Eliminations	Total
Public Support and Revenues without Donor Restrictions:					
Contributions from the Federation					
Contributions	\$ 195,000	\$ -	\$ -	\$ -	\$ 195,000
Contributions	2,380,579	-	413,447	-	2,794,026
Fundraising Events	348,411	-	-	-	348,411
Contracts and other grants	549,912	-	-	-	549,912
Claims Conference grant revenue	6,924,454	-	-	-	6,924,454
Net patient service revenue	1,537,373	-	2,064,899	-	3,602,272
Rental income	-	383,793	-	(300,000)	83,793
Income from joint venture	316,583	-	-	-	316,583
Investment loss, net	(49,711)	-	-	-	(49,711)
Other	127,520	-	13,694	(12,000)	129,214
Net assets released from restrictions	601,315	-	122,407	-	723,722
Total Public Support and Revenues without Donor Restrictions	12,931,436	383,793	2,614,447	(312,000)	15,617,676
Expenses					
Program Services:					
Community services	884,280	-	-	(48,734)	835,546
Long-term care	8,180,342	-	-	(114,754)	8,065,588
Behavioral health	2,143,988	-	-	(67,298)	2,076,690
Residential	-	-	2,895,708	-	2,895,708
Total Program Services	11,208,610	-	2,895,708	(230,786)	13,873,532
Support Services:					
Fundraising and development	1,118,913	-	-	(39,624)	1,079,289
Management and general	313,702	437,441	421,407	(41,590)	1,130,960
Total Support Services	1,432,615	437,441	421,407	(81,214)	2,210,249
Total Expenses	12,641,225	437,441	3,317,115	(312,000)	16,083,781
Change in Net Assets without Donor Restrictions	290,211	(53,648)	(702,668)	-	(466,105)
Public Support and Revenues with Donor Restrictions					
Contributions from Federation	461,696	-	-	-	461,696
Contributions	242,227	-	-	-	242,227
Contracts and grants	55,000	-	-	-	55,000
Investment loss, net	(20,831)	-	-	-	(20,831)
Net assets released from restrictions	(601,315)	-	(122,407)	-	(723,722)
Total Public Support and Revenues with Donor Restrictions	136,777	-	(122,407)	-	14,370
Change in Net Assets with Donor Restrictions	136,777	-	(122,407)	-	14,370
Change in Net Assets	426,988	(53,648)	(825,075)	-	(451,735)
Net Assets, beginning of year	2,870,312	(956,839)	1,652,521	-	3,565,994
Net Assets, end of year	\$ 3,297,300	\$ (1,010,487)	\$ 827,446	\$ -	\$ 3,114,259