



# **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, 2022 and 2021**

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

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Combined Financial Statements and Supplemental Schedules  
Years Ended June 30, 2022 and 2021

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

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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, 2022 and 2021, 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, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis 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.

### *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.

### *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, LLP**

Boca Raton, Florida  
March 8, 2023

## **Combined Financial Statements**

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

## Combined Statements of Financial Position

June 30,	2022	2021
<b>Assets</b>		
<b>Current Assets</b>		
Cash (including \$327,200 of board designated cash at June 30, 2022 and 2021)	\$ 3,735,631	\$ 4,349,640
Investments held in Medicaid Pooled Trust, at fair value	7,079,817	6,268,331
Investments at fair value	428,968	163,647
Accounts receivable:		
Jewish Federation of Palm Beach County, Inc.	431,317	437,129
Client charges	465,739	449,831
Grants	1,287	341,158
United Way of Palm Beach County, Inc.	55,000	60,500
Promises to give, net	75,000	338,208
Bequests receivable	50,930	31,943
Prepaid expenses and other assets	259,440	212,650
Property held for sale	57,556	-
<b>Total Current Assets</b>	<b>12,640,685</b>	<b>12,653,037</b>
Restricted cash	347,800	347,800
Promises to give, net of discount and current portion	185,907	68,681
Investment in JFS Homecare, LLC - Joint Venture	278,914	-
Property and equipment, net	3,166,378	3,197,320
<b>Total Assets</b>	<b>\$ 16,619,684</b>	<b>\$ 16,266,838</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 3,516,461	\$ 3,461,306
Medicaid Pooled Trust Investments held on behalf of others	7,079,817	6,268,331
Deferred revenue	259,775	222,239
Notes payable, current portion	209,909	103,176
<b>Total Current Liabilities</b>	<b>11,065,962</b>	<b>10,055,052</b>
Notes payable, less current portion and debt issuance costs of \$24,359 and \$18,483 as of June 30, 2022 and 2021, respectively)	2,439,463	2,645,792
<b>Total Liabilities</b>	<b>13,505,425</b>	<b>12,700,844</b>
Commitments and Contingencies (Note 1, 2, 3, 7, 9, 10, 11, 13, 14, 15, 16, 18)		
<b>Net Assets</b>		
Without donor restrictions:		
Undesignated	1,522,959	1,989,064
Board-designated	675,000	675,000
<b>Total Net Assets without Donor Restrictions</b>	<b>2,197,959</b>	<b>2,664,064</b>
With donor restrictions	916,300	901,930
<b>Total Net Assets</b>	<b>3,114,259</b>	<b>3,565,994</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 16,619,684</b>	<b>\$ 16,266,838</b>

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,	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Public Support and Revenues:</b>						
Contributions from the Federation	\$ 195,000	\$ 461,696	\$ 656,696	\$ 195,000	\$ 461,696	\$ 656,696
Contributions	2,794,026	242,227	3,036,253	2,565,297	93,680	2,658,977
Government grant revenue	-	-	-	1,238,959	-	1,238,959
Fundraising events	348,411	-	348,411	373,842	-	373,842
Contracts and other grants	492,505	55,000	547,505	813,238	60,500	873,738
Claims Conference grant revenue	6,981,861	-	6,981,861	6,666,894	-	6,666,894
Net patient service revenue	3,602,272	-	3,602,272	3,882,100	-	3,882,100
Rental income	83,793	-	83,793	16,408	-	16,408
Investment (loss) income, net	(49,711)	(20,831)	(70,542)	-	38,313	38,313
Income from Joint Venture	316,583	-	316,583	-	-	-
Other	129,214	-	129,214	126,369	-	126,369
Net assets released from restrictions	723,722	(723,722)	-	587,096	(587,096)	-
<b>Total Public Support and Revenues</b>	<b>15,617,676</b>	<b>14,370</b>	<b>15,632,046</b>	<b>16,465,203</b>	<b>67,093</b>	<b>16,532,296</b>
<b>Expenses:</b>						
<b>Program Services:</b>						
Community services	835,546	-	835,546	844,497	-	844,497
Long-term care	8,065,588	-	8,065,588	7,850,648	-	7,850,648
Behavioral health	2,076,690	-	2,076,690	1,888,478	-	1,888,478
Residential	2,895,708	-	2,895,708	2,463,493	-	2,463,493
<b>Total Program Services</b>	<b>13,873,532</b>	<b>-</b>	<b>13,873,532</b>	<b>13,047,116</b>	<b>-</b>	<b>13,047,116</b>
<b>Support Services:</b>						
Fundraising and development	1,079,289	-	1,079,289	1,015,465	-	1,015,465
Management and general	1,130,960	-	1,130,960	1,016,379	-	1,016,379
<b>Total Support Services</b>	<b>2,210,249</b>	<b>-</b>	<b>2,210,249</b>	<b>2,031,844</b>	<b>-</b>	<b>2,031,844</b>
<b>Total Expenses</b>	<b>16,083,781</b>	<b>-</b>	<b>16,083,781</b>	<b>15,078,960</b>	<b>-</b>	<b>15,078,960</b>
<b>Change in Net Assets</b>	<b>(466,105)</b>	<b>14,370</b>	<b>(451,735)</b>	<b>1,386,243</b>	<b>67,093</b>	<b>1,453,336</b>
<b>Net Assets, beginning of year</b>	<b>2,664,064</b>	<b>901,930</b>	<b>3,565,994</b>	<b>1,277,821</b>	<b>834,837</b>	<b>2,112,658</b>
<b>Net Assets, end of year</b>	<b>\$ 2,197,959</b>	<b>\$ 916,300</b>	<b>\$ 3,114,259</b>	<b>\$ 2,664,064</b>	<b>\$ 901,930</b>	<b>\$ 3,565,994</b>

*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

<i>For the Year Ended June 30, 2022</i>	Program Services					Support Services		
	Community Services	Long-Term Care	Behavioral Health	Residential	Total Program Services	Fundraising and Development	Management and General	Total
<b>Salaries and Benefits</b>								
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
<b>Total Salaries and Benefits</b>	<b>488,978</b>	<b>1,405,614</b>	<b>1,648,512</b>	<b>1,942,891</b>	<b>5,485,995</b>	<b>843,924</b>	<b>898,598</b>	<b>7,228,517</b>
<b>Operating expenses</b>								
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
<b>Total Operating Expenses</b>	<b>346,568</b>	<b>6,659,974</b>	<b>428,178</b>	<b>952,817</b>	<b>8,387,537</b>	<b>235,365</b>	<b>232,362</b>	<b>8,855,264</b>
<b>Total Functional Expenses</b>	<b>\$ 835,546</b>	<b>\$ 8,065,588</b>	<b>\$ 2,076,690</b>	<b>\$ 2,895,708</b>	<b>\$ 13,873,532</b>	<b>\$ 1,079,289</b>	<b>\$ 1,130,960</b>	<b>\$ 16,083,781</b>

*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

<i>Year Ended June 30, 2021</i>	Program Services					Support Services		
	Community Services	Long-Term Care	Behavioral Health	Residential	Total Program Services	Fundraising and Development	Management and General	Total
<b>Salaries and Benefits</b>								
Salaries	\$ 382,681	\$ 1,415,947	\$ 1,412,913	\$ 1,301,136	\$ 4,512,677	\$ 708,440	\$ 555,153	\$ 5,776,270
Payroll taxes and benefits	63,926	245,039	219,464	302,770	831,199	111,375	133,074	1,075,648
<b>Total Salaries and Benefits</b>	446,607	1,660,986	1,632,377	1,603,906	5,343,876	819,815	688,227	6,851,918
<b>Operating expenses</b>								
Professional fees	28,485	20,107	30,161	30,161	108,914	23,458	23,188	155,560
Building and facilities	12,490	38,214	32,007	93,774	176,485	20,399	74,361	271,245
Depreciation and amortization	28,682	64,535	38,243	62,145	193,605	21,512	30,112	245,229
Insurance	3,135	7,407	5,351	74,786	90,679	2,498	68,801	161,978
Interest and bank fees	17,865	43,850	27,610	-	89,325	14,617	58,467	162,409
Program related expenses	67,187	56,143	54,663	194,373	372,366	93,174	-	465,540
Rent	7,074	-	-	399,970	407,044	-	27,498	434,542
Special assistance to individuals	191,215	5,879,899	260	-	6,071,374	-	-	6,071,374
Supplies	39,334	70,585	63,626	1,249	174,794	17,402	19,425	211,621
Other operating expenses	2,423	8,922	4,180	3,129	18,654	2,590	26,300	47,544
<b>Total Operating Expenses</b>	397,890	6,189,662	256,101	859,587	7,703,240	195,650	328,152	8,227,042
<b>Total Functional Expenses</b>	\$ 844,497	\$ 7,850,648	\$ 1,888,478	\$ 2,463,493	\$ 13,047,116	\$ 1,015,465	\$ 1,016,379	\$ 15,078,960

*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,	2022	2021
<b>Cash Flows from Operating Activities:</b>		
Change in net assets	\$ (451,735)	\$ 1,453,336
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization of property and equipment	220,010	239,019
Loss on disposal of property and equipment	-	638
Amortization of deferred loan costs	6,476	6,210
Net realized and unrealized losses (gains) on investments	73,167	(35,900)
Accretion of discount on promises to give	(4,256)	(1,299)
Change in operating assets and liabilities:		
Decrease (increase) in:		
Accounts receivable	466,526	8,965
Prepaid expenses and other assets	(46,790)	(97,779)
Property held for sale	(57,556)	-
Increase (decrease) in:		
Accounts payable and accrued expenses	55,155	450,310
Deferred revenue	37,536	(110,953)
Paycheck Protection Program refundable advances	-	(1,238,959)
<b>Total Adjustments</b>	<b>750,268</b>	<b>(779,748)</b>
<b>Net Cash Provided by Operating Activities</b>	<b>298,533</b>	<b>673,588</b>
<b>Cash Flows from Investing Activities:</b>		
Purchases of property and equipment	(189,068)	(270,679)
Net proceeds from sale of investments held at the Federation	1,559	1,656
Investment in joint venture	(278,914)	-
Purchase of Investments	(340,047)	-
<b>Net Cash Used in Investing Activities</b>	<b>(806,470)</b>	<b>(269,023)</b>
<b>Cash Flows from Financing Activities:</b>		
Proceeds from notes payable	-	240,000
Repayments on notes payable	(106,072)	(95,592)
<b>Net Cash Used in Financing Activities</b>	<b>(106,072)</b>	<b>144,408</b>
(Decrease) increase in Cash (including Restricted Cash)	(614,009)	548,973
<b>Cash (including Restricted Cash), beginning of year</b>	<b>4,697,440</b>	<b>4,148,467</b>
<b>Cash (including Restricted Cash), end of year</b>	<b>\$ 4,083,431</b>	<b>\$ 4,697,440</b>
<b>Reconciliation of Cash and Restricted Cash:</b>		
Cash	\$ 3,735,631	\$ 4,349,640
Restricted cash - for collateral on mortgage	347,800	347,800
<b>Cash and Restricted Cash</b>	<b>\$ 4,083,431</b>	<b>\$ 4,697,440</b>
<b>Supplemental Disclosure of Cash Flow Information:</b>		
Cash paid during the year for interest	\$ 113,495	\$ 120,517

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

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### 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, the JFCS entered into a joint venture with Johnson Homecare Services, LLC to form JFS Homecare, 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 Homecare, 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

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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.

### ***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, 2022, two donors accounted for 100% of promises to give. At June 30, 2021, four donor accounted for approximately 81% of promises to give.

During the years ended June 30, 2022 and 2021, Claims Conference revenues accounted for approximately 45% and 41% of total public support and revenues, respectively. The Organization had no Claims Conference receivables outstanding as of June 30, 2022 and 2021.

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

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### *Description of Programs:*

#### *Community Services Division:*

*Community Access Lifeline (CALL)* includes information and referral. The program answers more than 4,000 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 Jewish persons in need. The Organization also provides 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.

*Segall College Scholarship Fund* - A maximum of \$5,000 may be provided to a Jewish college student living from Boynton Beach north to Indian River County and west to Wellington and are attending a Florida college. Students are evaluated on financial need, academic achievement, community service, recreational activities, employment history, Jewish life involvement and personal recommendations.

*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.

*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

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*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.

*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.

### ***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.

*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.

### ***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. Group Home 1 was closed in July 2021. As of September 30, 2022 all group home operations ceased and Group home 1 was subsequently sold in November 2022. Group home 2 will be listed for sale in the near future (Note 18).

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

## Notes to Combined Financial Statements

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*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***

The Organization considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents. There were no cash equivalents at June 30, 2022 and 2021.

### ***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 3). 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).

### ***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, 2022 and 2021. 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, 2022 and 2021, was approximately \$0 and \$30,000, respectively.



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

## Notes to Combined Financial Statements

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### *Accounts Receivable - Grants and United Way of Palm Beach County, Inc.*

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 of Palm Beach County, Inc. 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.

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, 2022 and 2021 was approximately \$24,000 and \$18,000, respectively. Amortization expense, which is included in the caption "interest and bank fees" on the accompanying Combined Statements of Functional Expenses, totaled approximately \$6,000 for each of the years ended June 30, 2022 and 2021.

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

## Notes to Combined Financial Statements

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As permitted by U.S. GAAP, the Organization elected an accounting alternative which allows deferred loan costs to be netted against the related liability. These deferred loan costs are netted against the long-term portion of the notes payable on the accompanying Combined Statements of Financial Position.

### *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 4).

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, 2022 and 2021 the total donated works of art reflected in the Combined Statements of Financial Position were approximately \$158,000.

### *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:

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

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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

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### *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, 2022 and 2021.

### *Restricted Cash*

Restricted cash represents collateralized funds for the promissory mortgage note payable. Amounts restricted for this purpose at June 30, 2022 and 2021 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.

### *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, 2022 and 2021, 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.

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

## Notes to Combined Financial Statements

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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.

### *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 adopted ASC Topic 606, Revenue from Contracts with Customers (Topic 606) on July 1, 2019 using the modified retrospective method applied to all contracts not completed as of the date of the adoption. The Organization applies 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. JCS recognizes revenue when the performance obligations are satisfied in accordance with a five-step model. Topic 606 also requires new and expanded disclosures regarding revenue recognition to ensure an understanding as to the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

The modified retrospective adoption method requires the Organization to record a transition adjustment for the new revenue standard, if any, as a cumulative effect adjustment to beginning net assets as of the date of adoption. Therefore, comparative information has not been adjusted. No adjustment to the Organization's beginning net assets were required as a result of adopting Topic 606.

### *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.

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

## Notes to Combined Financial Statements

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

<i>For the Years Ended June 30,</i>	<b>2022</b>	<b>2021</b>
Net Patient service revenue	\$ 3,602,272	\$ 3,882,100
<b>Revenue Subject to ASC 606</b>	<b>\$ 3,602,272</b>	<b>\$ 3,882,100</b>

Receivables and contract balances from contracts with customers as of June 30, 2022 are as follows:

	<b>Client Charges</b>	<b>Contract Assets</b>	<b>Contract Liabilities</b>
Beginning of year	\$ 449,831	\$ -	\$ -
End of year	\$ 465,739	\$ -	\$ -

Receivables and contract balances from contracts with customers as of June 30, 2021 are as follows:

	<b>Client Charges</b>	<b>Contract Assets</b>	<b>Contract Liabilities</b>
Beginning of year	\$ 265,159	\$ -	\$ -
End of year	\$ 449,831	\$ -	\$ -

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.

### ***Rental Income***

Revenue from leasing activities, which generally consist of non-cancelable operating leases with terms of one year or more, is recognized on a straight-line basis over the lease term giving effect to rent abatements and known rental increases.

### ***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.

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

## Notes to Combined Financial Statements

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### *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, 2022 and 2021.

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, 2022 and 2021, the Organization was not subject to any examination by a taxing authority.

### *Adopted Accounting Pronouncement*

#### *Contributed Nonfinancial Assets*

In September 2020, the Financial Accounting Standards Board ("FASB") issued an accounting standard update (ASU 2020-07) which amends guidance for not-for-profit entities that receive contributed nonfinancial assets. The update requires not-for-profits to present contributed nonfinancial assets as a separate line item in the statement of activities, and to disclose information regarding each type of contributed nonfinancial asset. The update is to be applied on a retrospective basis and is effective for annual reporting periods beginning after June 15, 2021, and for interim reporting periods beginning after June 15, 2022. The adoption of this update did not have a material impact on the Organization's combined financial statements.

### *Recent Accounting Pronouncements - Not Implemented*

#### *Lease Accounting*

In February 2016, FASB issued an accounting standard update ("ASU") which amends existing lease guidance. The update requires lessees to recognize a right-of-use asset and related lease liability for many operating leases now currently off-balance sheet under current U.S. GAAP. Also, the FASB has issued amendments to the update with practical expedients related to land easements and lessor accounting. The Organization is currently evaluating the effect the update will have on its combined financial statements.

The update originally required transition to the new lease guidance using a modified retrospective approach which would reflect the application of the update as of the beginning of the earliest comparative period presented. A subsequent amendment to the update provides an optional transition method that allows entities to initially apply the new lease guidance with a cumulative-effect adjustment to the opening balance of equity in the period of adoption. If this optional transition method is elected, after the adoption of the new lease guidance, the Organization's presentation of comparative periods in the combined financial statements will continue to be in

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

## Notes to Combined Financial Statements

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accordance with current lease accounting. The Organization is evaluating the method of adoption it will elect and the effect the update will have on its combined financial statements. The update is effective for fiscal years beginning after December 15, 2021, and for interim periods within fiscal years beginning after December 15, 2022, with early application permitted.

### *Measurement of Credit Losses on Financial Instruments*

In June 2016, the FASB issued ASU 2016-13, Financial Instruments - Credit Losses (Topic 326). The main objective of this update is to provide financial statement users with more useful information in decision-making related to expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity. The amendment replaces the incurred loss impairment methodology in current U.S. GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. ASU 2016-03 was subsequently updated by ASU 2019-10, which finalized various effective dates on the implementation of the standard. The guidance is effective for fiscal years beginning after December 15, 2022, including interim periods within those years. The Organization is currently evaluating the effect the update will have on its combined financial statements.

### *Reference Rate Reform*

In March 2020, the FASB issued an accounting standard update to provide guidance related to recognizing the effects of reference rate reform on financial reporting. The update applies to all entities that have contracts, hedging relationships, or other transactions that reference LIBOR or another reference rate expected to be discontinued. The update is effective for all entities as of March 12, 2020 through December 31, 2022. The Organization is currently evaluating the potential accounting, transition, and disclosure effects the update will have on its combined financial statements.

### *Reclassification*

Certain items in the 2021 combined financial statements were reclassified to conform with the 2022 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.

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

## 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:

<i>June 30,</i>	<b>2022</b>	<b>2021</b>
Cash	\$ 3,735,631	\$ 4,349,640
Accounts receivable:		
Jewish Federation of Palm Beach County, Inc.	431,317	437,129
Client charges, net	465,739	449,831
Grants	1,287	341,158
United Way of Palm Beach County, Inc.	55,000	60,500
Promises to give, net	75,000	338,208
Bequests receivable	50,930	31,943
Restricted cash	347,800	347,800
<b>Total Current Financial Assets</b>	<b>5,162,704</b>	<b>6,356,209</b>
Less: amounts unavailable for general expenditures within one year due to:		
Donor restricted assets not due within one year	399,604	901,930
Board designated funds unavailable without board approval	347,800	347,800
	327,200	327,200
<b>Total Financial Assets Available for General Expenditure within One Year</b>	<b>\$ 4,088,100</b>	<b>\$ 4,779,279</b>

### 3. 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 \$6,887,000 and \$6,268,000 as of June 30, 2022 and 2021, 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 administering the Trust. Revenue recorded in the Combined Statements of Activities for the years ended June 30, 2022 and 2021 totaled approximately \$97,000 and \$75,000, 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.



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

## Notes to Combined Financial Statements

The following tables represents the Organization's financial instruments measured at fair value in the Trust at June 30, 2022 and 2021, respectively, for each of the fair value hierarchy levels:

Fair Value Measurements at June 30, 2022				
<i>Description</i>	6/30/2022	Quoted Prices	Significant Other	Significant Other
		In Active Markets for Identical Assets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Money market mutual funds	\$ 237,892	\$ 237,892	\$ -	\$ -
Fixed income bonds	2,416,095	2,416,095	-	-
Equities	2,606,443	2,606,443	-	-
Bond funds	719,070	719,070	-	-
Equity funds	1,011,511	1,011,511	-	-
Exchange traded funds	32,061	32,061	-	-
Other Assets	56,745	56,745	-	-
<b>Total Assets in the Fair Value Hierarchy</b>	<b>7,079,817</b>	<b>7,079,817</b>	<b>-</b>	<b>-</b>
	<b>\$ 7,079,817</b>	<b>\$ 7,079,817</b>	<b>\$ -</b>	<b>\$ -</b>

Fair Value Measurements at June 30, 2021				
<i>Description</i>	6/30/2021	Quoted Prices	Significant Other	Significant Other
		In Active Markets for Identical Assets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Money market mutual funds	\$ 77,834	\$ 77,834	\$ -	\$ -
Fixed income bonds	3,207,640	3,207,640	-	-
Equities	1,999,078	1,999,078	-	-
Bond funds	613,403	613,403	-	-
Equity funds	286,520	286,520	-	-
Exchange traded funds	83,856	83,856	-	-
<b>Total Assets in the Fair Value Hierarchy</b>	<b>6,268,331</b>	<b>6,268,331</b>	<b>-</b>	<b>-</b>
	<b>\$ 6,268,331</b>	<b>\$ 6,268,331</b>	<b>\$ -</b>	<b>\$ -</b>

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

## Notes to Combined Financial Statements

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### 4. 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).

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 and equities: valued at the closing price reported in the active market on which the securities are traded.

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

## Notes to Combined Financial Statements

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

Years ended June 30, 2022	Fair Value Measurements			Total
	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)	
<b>Assets:</b>				
Money market funds	\$ 2,988	\$ -	\$ -	\$ 2,988
Other assets	3,368	-	-	3,368
<b>Equities:</b>				
Equity funds	221,674	-	-	221,674
Bond funds	45,501	-	-	45,501
Exchange traded funds	16,740	-	-	16,740
<hr/>				
Total assets in the fair value hierarchy	290,271	-	-	290,271
<hr/>				
Investments measured at net asset value *	138,697	-	-	138,697
<hr/>				
	\$ 428,968	\$ -	\$ -	\$ 428,968

Years ended June 30, 2021	Fair Value Measurements			Total
	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)	
<hr/>				
Investments measured at net asset value *	\$ 163,647	\$ -	\$ -	\$ 163,647

(\*) 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.

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

**Notes to Combined Financial Statements**

Investment (loss) income, net is as follows

<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)
<b>Investment losses</b>	<b>\$ (49,711)</b>	<b>\$ (20,831)</b>	<b>\$ (70,542)</b>

<i>Year Ended June 30, 2021</i>	Investments within Brokerage Accounts	Investments held at the Federation (**)	Total
Interest and dividend income	\$ -	\$ 2,817	\$ 2,817
Net realized/unrealized gains	-	35,900	35,900
Fees	-	(404)	(404)
<b>Investment income</b>	<b>\$ -</b>	<b>\$ 38,313</b>	<b>\$ 38,313</b>

(\*\*) 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, 2022 and 2021. Additionally, there are no explicit restrictions on the redemptions of such investments.

## 5. Promises to Give, Net

Promises to give, net resulting from fundraising campaigns is summarized as follows at June 30:

<i>June 30,</i>	<b>2022</b>	<b>2021</b>
Gross promises to give	\$ 275,000	\$ 415,802
Less: Discount on long-term promises to give	(14,093)	(8,913)
<b>Promises to give, net</b>	<b>\$ 260,907</b>	<b>\$ 406,889</b>

Promises to give with payment terms in excess of one year have been discounted using a discount rate ranging from 4.0% to 4.2%. Promises to give are unsecured and are primarily from related parties and are restricted as to time and purpose.

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

## Notes to Combined Financial Statements

Gross promises to give as of June 30, 2022 are due as follows:

*Years ending June 30,*

2023	\$	75,000
2024		100,000
2025		50,000
2026		50,000
		\$ 275,000

### 6. Equity Method Investment in Affiliate

JFCS's investment in Johnson Homecare Services, LLC totaled approximately \$279,000 as of June 30, 2022, and is accounted for as an equity method investment in the accompanying Combined Statements of Financial Position.

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

<i>June 30, 2022</i>	<b>JFS Homecare, LLC</b>
<b>Combined Statement of Financial Position:</b>	
Assets	\$ 606,078
Liabilities	-
Equity	606,078
<b>Combined Statement of Activities:</b>	
Revenue	2,442,631
Expense	1,775,774
Net Income	\$ 666,857
The Organization's share of net income	\$ 333,429

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

**Notes to Combined Financial Statements**

**7. Property and Equipment, Net**

Property and equipment, net consists of the following:

<i>June 30,</i>	<b>2022</b>	<b>2021</b>
Land	\$ 670,716	\$ 670,716
Buildings and improvements	4,693,548	4,552,447
Equipment	648,985	618,438
Vehicles	437,086	437,086
Construction in progress	18,959	18,959
Donated works of art	158,325	158,325
	<b>6,627,619</b>	<b>6,455,971</b>
Less: Accumulated depreciation and amortization	<b>(3,461,241)</b>	<b>(3,258,651)</b>
<b>Property and Equipment, net</b>	<b>\$ 3,166,378</b>	<b>\$ 3,197,320</b>

Depreciation and amortization expense was approximately \$220,000 and \$239,000 the years ended June 30, 2022 and 2021, respectively.

The Organization listed the Haverhill Group Home for sale during the year ended June 30, 2022. The historical cost of Haverhill Group home was approximately \$423,000. The accumulated depreciation on the Haverhill Group Home was approximately \$321,000. 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 home as held for sale. The Organization sold the Haverhill Group Home on October 28, 2022 (Note 18).

**8. Accounts Payable and Accrued Expenses**

Accounts payable and accrued expenses consist of the following:

<i>June 30,</i>	<b>2022</b>	<b>2021</b>
Accounts payable	\$ 66,059	\$ 69,783
Accrued payroll	122,837	-
Accrued vacation	245,794	214,210
Holocaust accrued expenses	3,017,305	2,931,899
Other accruals	64,466	245,414
	<b>\$ 3,516,461</b>	<b>\$ 3,461,306</b>

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

## Notes to Combined Financial Statements

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### 9. Notes Payable

Notes payable consist of the following as of June 30:

<i>As on June 30,</i>	<b>2022</b>	<b>2021</b>
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In March 2014, the Organization entered into a \$3,125,000 promissory mortgage note payable with a financial institution. The interest rate for the first seven years of the term was fixed at 4.20%. The interest rate for the remaining three years of the term shall be adjusted to a rate of prime plus 0.75%. The interest rate of the loan shall never fall below 4.20%. The effective interest rate at June 30, 2021 was 4.20%. The note is repayable in consecutive monthly installments of principal and interest based on a twenty-five year amortization. The initial monthly payments for the fixed term of the loan are \$16,951. This loan was modified and consolidated with the below promissory note during the year ended June 30, 2022. The loan was renewed for 10 years and now matures in April 2032. Additionally, the interest rate is now 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 as of June 30, 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 term of the loan are \$17,574. This note is collateralized by the 5841 Corporate Way building. As of June 30, 2022 and 2021, the Organization had restricted cash of \$347,800 related to collateral on the mortgage.

	\$ 2,673,731	\$ 2,529,554
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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

In January 2021, the Organization entered into a \$240,000 promissary note payable with the same financial institution to finance construction of a new roof for the 5841 Corporate Way building. The interest rate is fixed at 4.20% for the duration of the loan. The note is repayable in consecutive monthly installments of principal and interest based on a three year amortization, which includes a balloon payment on March 19, 2024, the date of maturity. This note is collateralized by the 5841 Corporate Way building. This loan was modified and added to the original mortgage loan during the year ended June 30, 2022.

	-	237,897
	\$ 2,673,731	\$ 2,767,451
Less: current portion of notes payable	(209,909)	(103,176)
Less: deferred loan costs	(24,359)	(18,483)
	\$ 2,439,463	\$ 2,645,792

Future maturities of the notes payable at June 30, 2022 are as follows:

*Years ending June 30,*

2023	\$	209,909
2024		209,909
2025		209,909
2026		209,909
2027		209,909
Thereafter		1,624,186
	\$	2,673,731

Interest charged to expense for the notes payable for the years ended June 30, 2022 and 2021 was approximately \$113,000 and \$110,000, respectively.



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

## Notes to Combined Financial Statements

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### 10. Line of Credit

During the years ended June 30, 2022 and 2021, the Organization had a line of credit in the amount of \$500,000. The Organization renewed the line of credit in March 2022. At June 30, 2022 and 2021, the interest rate on the line of credit was 5.25% and 6.00%. At June 30, 2022 and 2021, there was no outstanding balance due on the line of credit. For the years ended June 30, 2022 and 2021, interest expense on the line of credit was approximately \$0.

### 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, 2022 and 2021, no employer discretionary contributions were made to the Plan.

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

For each of the years ended June 30, 2022 and 2021, 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 makes 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 will continue for the shorter of 15 years or the duration of the mortgage. The payments will cease in May 2023 as the Federation will have contributed the allocation for the 15 year duration.

Additionally, during the years ended June 30, 2022 and 2021, the Organization received approximately \$123,000 and \$172,000, 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, 2022 and 2021, these balances were approximately \$3,927,000 and \$4,512,000, respectively. Contributions from the endowment funds were approximately \$238,000 and \$239,000 for the years ended June 30, 2022 and 2021, respectively, and are reflected in the Combined Statements of Activities as "Contributions".

Total receivables due from the Federation at June 30, 2022 and 2021 amounted to approximately \$431,000 and \$437,000, respectively. These receivables are due in less than one year. Revenue from the Federation, excluding donor directed contributions, represents approximately 4% of total public support and revenues for the years ended June 30, 2022 and 2021, respectively.

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

## Notes to Combined Financial Statements

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### 13. Operating Leases

#### *Leases - Lessee*

On May 1, 2006, the Organization entered into a sixty-four-month lease for office space. Monthly rent ranged from \$12,218 to \$18,695 over the term of the lease. Simultaneous with the execution of the lease agreement, JFCS entered into an agreement with the Federation, whereby the Federation agreed to provide an allocation equal to the gross leasing expense, including specified annual increases. However, in April 2008, 5841 purchased the building referred to above, 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, 2022 and 2021, 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.

In connection with the changes in the leasing arrangements referred to above, JFCS entered into a revised agreement with the Federation, whereby 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). Hence in May 2023, the annual allocation will cease. Due to this contingency in the agreement, the Organization records the allocation for occupancy expense as time lapses and costs are incurred rather than at inception.

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 Organization leased office space in Wellington, Florida from a third party through a non-cancelable operating lease agreement which expires on March 31, 2023. The Organization is currently in negotiations to extend the lease to May 2023.

JRFS leases office space to a tenant in Palm Beach Gardens, Florida from a third party through a non-cancelable operating lease agreement. The lease expires on November 30, 2025.

Approximate future minimum lease payments under non-cancelable operating leases as of June 30, 2022 is as follows:

<i>Years ending June 30,</i>	
2023	\$ 27,000
2024	28,000
2025	28,000
2026	12,000
	<hr/>
	\$ 95,000

Rent expense for the years ended June 30, 2022 and 2021, pursuant to the above agreements was approximately \$360,000 and \$316,000, respectively.

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

## 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 \$60,000 and \$16,000 for the years ended June 30, 2022 and 2021, respectively.

### **14. 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 in each of the years ended June 30, 2022 and 2021 is \$462,000, respectively, and is recorded as support with donor restrictions on the Combined Statements of Activities within "Contributions from Federation". The Organization transfers this support to net assets without donor restrictions through net assets released from restrictions as the restriction is met.

Net assets with donor restrictions are as follows:

<i>For the Years Ending June 30,</i>	2021	Additions / Investments gain (loss)	Releases	2022
<b>Subject to expenditure for a specific purpose:</b>				
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
<b>Total Purpose Restrictions</b>	<b>738,283</b>	<b>758,923</b>	<b>(719,603)</b>	<b>777,603</b>
<b>Endowment:</b>				
Donor restricted endowment funds	120,000	-	-	120,000
Subject to endowment spending policy and appropriation	43,647	(20,831)	(4,119)	18,697
<b>Total Endowment Restrictions</b>	<b>163,647</b>	<b>(20,831)</b>	<b>(4,119)</b>	<b>138,697</b>
<b>Total Net Assets with Donor Restrictions</b>	<b>\$ 901,930</b>	<b>\$ 738,092</b>	<b>\$ (723,722)</b>	<b>\$ 916,300</b>

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

## Notes to Combined Financial Statements

<i>For The Years Ended June 30,</i>	2020	Additions / Investments gain (loss)	Releases	2021
<b>Subject to expenditure for a specific purpose:</b>				
Promises to give, net	\$ 239,788	\$ 93,680	\$ (117,381)	\$ 216,087
Allocation from Federation	411,696	461,696	(411,696)	461,696
Allocation from United Way of Palm Beach, Inc.	53,950	60,500	(53,950)	60,500
<b>Total Purpose Restrictions</b>	<b>705,434</b>	<b>615,876</b>	<b>(583,027)</b>	<b>738,283</b>
<b>Endowment:</b>				
Donor restricted endowment funds	120,000	-	-	120,000
Subject to endowment spending policy and appropriation	9,403	38,313	(4,069)	43,647
<b>Total Endowment Restrictions</b>	<b>129,403</b>	<b>38,313</b>	<b>(4,069)</b>	<b>163,647</b>
<b>Total Net Assets with Donor Restrictions</b>	<b>\$ 834,837</b>	<b>\$ 654,189</b>	<b>\$ (587,096)</b>	<b>\$ 901,930</b>

### 15. 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

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

## Notes to Combined Financial Statements

- (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, 2022 and 2021, 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.

### Summary of Endowment Net Assets at June 30, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Donor-Restricted Endowment Funds:</b>			
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
<b>Total Endowment Funds</b>	<b>\$ -</b>	<b>\$ 138,697</b>	<b>\$ 138,697</b>

### Summary of Endowment Net Assets at June 30, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Donor-Restricted Endowment Funds:</b>			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 120,000	\$ 120,000
Accumulated investment gains	-	43,647	43,647
<b>Total Endowment Funds</b>	<b>\$ -</b>	<b>\$ 163,647</b>	<b>\$ 163,647</b>

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

**Notes to Combined Financial Statements**

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

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

**Changes in Endowment Net Assets for the Year Ended June 30, 2021:**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Net Assets, June 30, 2020</b>	\$ -	\$ 129,403	\$ 129,403
Released from restriction and appropriated for expenditure	-	(4,069)	(4,069)
Investment income, net	-	38,313	38,313
<b>Net Assets, June 30, 2021</b>	<b>\$ -</b>	<b>\$ 163,647</b>	<b>\$ 163,647</b>

The endowment assets are as follows:

<i>June 30,</i>	<b>2022</b>	<b>2021</b>
Investments held at the federation	\$ 138,697	\$ 163,647

***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, 2022 and 2021.

***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.

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

## Notes to Combined Financial Statements

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### *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.

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.

## **16. 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.

## **17. Loan forgiveness from Paycheck Protection Program**

On April 10, 2020, the Organization received two loans, the first in the amount of approximately \$909,000, and the second in the amount of \$330,000, under the Paycheck Protection Program ("PPP") authorized by the Coronavirus Aid, Relief, and Economic Security Act ("CARES") that was signed into law on March 27, 2020. The Organization used the funds for payroll, rent, utilities, and other forgivable expenses. The proceeds from the loan were originally recognized as a refundable advance in accordance with FASB ASC 958. On December 30, 2020, the Organization was granted forgiveness and legally released from the obligation by the Small Business Administration and recognized the proceeds as revenue for the year ended June 30, 2021. The forgiveness of approximately \$1,239,000 is reflected within the caption Government Grant Revenue in the Combined Statements of Activities for the year ended June 30, 2021.

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

## Notes to Combined Financial Statements

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### 18. Subsequent Events

Management has evaluated subsequent events through March 8, 2023, which is the date these combined financial statements were available to be issued.

#### *Closing of Group Homes*

In April 2021, the Organization evaluated its group home operations and determined that it would be in the best interest of the residential program and the clients served to close group home 1 owned and operated by the Melvin J & Claire Levine Jewish Residential & Family Services of Palm Beach County. On October 28, 2022, the group home was subsequently sold for approximately \$741,000 (Note 1).

In September 2022, the Organization evaluated its group home operations and determined that it would be in the best interest of the residential program and the clients served to close group home 2 owned and operated by the Melvin J & Claire Levine Jewish Residential & Family Services of Palm Beach County. As of January 1, 2023, there were no residents residing at Group Home 2. The Organization is still in the process of listing the group home for sale. (Note 1)



## Supplemental Schedules

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

## Combining Schedule of Financial Position

<i>As of June 30, 2022</i>	JFCS	5841	JRFS	Eliminations	Total
<b>Assets</b>					
<b>Current Assets</b>					
Cash (Including \$327,200 of board designated cash)	\$ 3,107,909	\$ (10,308)	\$ 638,030	\$ -	\$ 3,735,631
Investments held in Medicaid Pooled Trust	7,079,817	-	-	-	7,079,817
Investment 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	243,825	-	221,914	-	465,739
Grants	1,287	-	-	-	1,287
United Way of Palm Beach County, Inc.	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
<b>Total Current Assets</b>	<b>12,892,096</b>	<b>48,095</b>	<b>909,577</b>	<b>(1,209,083)</b>	<b>12,640,685</b>
Restricted cash	-	-	347,800	-	347,800
Promises to give, net of discount and current portion	185,907	-	-	-	185,907
Investment in JFS Homecare, LLC - Joint Venture	278,914	-	-	-	278,914
Property and equipment, net	482,151	2,390,886	293,341	-	3,166,378
<b>Total Assets</b>	<b>\$ 13,839,068</b>	<b>\$ 2,438,981</b>	<b>\$ 1,550,718</b>	<b>\$ (1,209,083)</b>	<b>\$ 16,619,684</b>
<b>Liabilities and Net Assets</b>					
<b>Current Liabilities</b>					
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
Notes payable, current portion	-	209,909	-	-	209,909
Due to affiliate	-	730,673	478,410	(1,209,083)	-
<b>Total Current Liabilities</b>	<b>10,541,768</b>	<b>1,010,005</b>	<b>723,272</b>	<b>(1,209,083)</b>	<b>11,065,962</b>
Notes payable, less current portion	-	2,439,463	-	-	2,439,463
<b>Total Liabilities</b>	<b>10,541,768</b>	<b>3,449,468</b>	<b>723,272</b>	<b>(1,209,083)</b>	<b>13,505,425</b>
<b>Net Assets</b>					
Without donor restrictions					
Undesignated	2,381,000	(1,010,487)	152,446	-	1,522,959
Board-designated	-	-	675,000	-	675,000
<b>Total Net Assets without Donor Restrictions</b>	<b>2,381,000</b>	<b>(1,010,487)</b>	<b>827,446</b>	<b>-</b>	<b>2,197,959</b>
With donor restrictions	916,300	-	-	-	916,300
<b>Total Net Assets</b>	<b>3,297,300</b>	<b>(1,010,487)</b>	<b>827,446</b>	<b>-</b>	<b>3,114,259</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 13,839,068</b>	<b>\$ 2,438,981</b>	<b>\$ 1,550,718</b>	<b>\$ (1,209,083)</b>	<b>\$ 16,619,684</b>

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

## Combining Schedule of Financial Position

<i>As of June 30, 2021</i>	JFCS	5841	JRFS	Eliminations	Total
<b>Assets</b>					
<b>Current Assets</b>					
Cash (Including \$327,200 of board designated cash)	\$ 3,624,854	\$ 220,007	\$ 504,779	\$ -	\$ 4,349,640
Restricted cash	-	-	347,800	-	347,800
Investments held in Medicaid Pooled Trust	6,268,331	-	-	-	6,268,331
Due from affiliate	443,038	-	278,516	(721,554)	-
Accounts receivable:					
Jewish Federation of Palm Beach County, Inc.	437,129	-	-	-	437,129
Client charges	225,931	-	223,900	-	449,831
Grants	341,158	-	-	-	341,158
United Way of Palm Beach County, Inc.	60,500	-	-	-	60,500
Promises to give, net	190,802	-	122,407	-	313,209
Bequests receivable	31,943	-	-	-	31,943
Prepaid expenses and other assets	162,654	24,339	25,657	-	212,650
<b>Total Current Assets</b>	<b>11,786,340</b>	<b>244,346</b>	<b>1,503,059</b>	<b>(721,554)</b>	<b>12,812,191</b>
Promises to give, net of discount and current portion	93,680	-	-	-	93,680
Investments Held at Jewish Federation of Palm Beach County, Inc.	163,647	-	-	-	163,647
Property and Equipment, net	497,564	2,274,980	424,776	-	3,197,320
<b>Total Assets</b>	<b>\$ 12,541,231</b>	<b>\$ 2,519,326</b>	<b>\$ 1,927,835</b>	<b>\$ (721,554)</b>	<b>\$ 16,266,838</b>
<b>Liabilities and Net Assets</b>					
<b>Current Liabilities</b>					
Accounts payable and accrued expenses	\$ 3,348,440	\$ 3,643	\$ 109,223	\$ -	\$ 3,461,306
Medicaid Pooled Trust Investments held on behalf of others	6,268,331	-	-	-	6,268,331
Deferred revenue	54,148	2,000	166,091	-	222,239
Notes payable, current portion	-	103,176	-	-	103,176
Due to affiliate	-	721,554	-	(721,554)	-
<b>Total Current Liabilities</b>	<b>9,670,919</b>	<b>830,373</b>	<b>275,314</b>	<b>(721,554)</b>	<b>10,055,052</b>
Notes payable, less current portion	-	2,645,792	-	-	2,645,792
<b>Total Liabilities</b>	<b>9,670,919</b>	<b>3,476,165</b>	<b>275,314</b>	<b>(721,554)</b>	<b>12,700,844</b>
<b>Net Assets</b>					
Without donor restrictions					
Undesignated	2,090,789	(956,839)	855,114	-	1,989,064
Board-designated	-	-	675,000	-	675,000
<b>Total Net Assets without Donor Restrictions</b>	<b>2,090,789</b>	<b>(956,839)</b>	<b>1,530,114</b>	<b>-</b>	<b>2,664,064</b>
With donor restrictions	779,523	-	122,407	-	901,930
<b>Total Net Assets</b>	<b>2,870,312</b>	<b>(956,839)</b>	<b>1,652,521</b>	<b>-</b>	<b>3,565,994</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 12,541,231</b>	<b>\$ 2,519,326</b>	<b>\$ 1,927,835</b>	<b>\$ (721,554)</b>	<b>\$ 16,266,838</b>

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

## Combining Schedule of Activities

<i>For the Year Ended June 30, 2022</i>	JFCS	5841	JRFS	Eliminations	Total
<b>Public Support and Revenues</b>					
<b>without Donor Restrictions:</b>					
Contributions from the Federation	\$ 195,000	\$ -	\$ -	\$ -	\$ 195,000
Contributions	2,380,579	-	413,447	-	2,794,026
Fundraising Events	348,411	-	-	-	348,411
Contracts and other grants	492,505	-	-	-	492,505
Claims Conference grant revenue	6,981,861	-	-	-	6,981,861
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
<b>Total Public Support and Revenues</b>					
<b>without Donor Restrictions</b>	<b>12,931,436</b>	<b>383,793</b>	<b>2,614,447</b>	<b>(312,000)</b>	<b>15,617,676</b>
<b>Expenses</b>					
<b>Program Services:</b>					
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
<b>Total Program Services</b>	<b>11,208,610</b>	<b>-</b>	<b>2,895,708</b>	<b>(230,786)</b>	<b>13,873,532</b>
<b>Support Services:</b>					
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
<b>Total Support Services</b>	<b>1,432,615</b>	<b>437,441</b>	<b>421,407</b>	<b>(81,214)</b>	<b>2,210,249</b>
<b>Total Expenses</b>	<b>12,641,225</b>	<b>437,441</b>	<b>3,317,115</b>	<b>(312,000)</b>	<b>16,083,781</b>
<b>Change in Net Assets without Donor Restrictions</b>	<b>290,211</b>	<b>(53,648)</b>	<b>(702,668)</b>	<b>-</b>	<b>(466,105)</b>
<b>Public Support and Revenues</b>					
<b>with Donor Restrictions</b>					
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)
<b>Total Public Support and Revenues</b>					
<b>with Donor Restrictions</b>	<b>136,777</b>	<b>-</b>	<b>(122,407)</b>	<b>-</b>	<b>14,370</b>
<b>Change in Net Assets with Donor Restrictions</b>	<b>136,777</b>	<b>-</b>	<b>(122,407)</b>	<b>-</b>	<b>14,370</b>
<b>Change in Net Assets</b>	<b>426,988</b>	<b>(53,648)</b>	<b>(825,075)</b>	<b>-</b>	<b>(451,735)</b>
<b>Net Assets, beginning of year</b>	<b>2,870,312</b>	<b>(956,839)</b>	<b>1,652,521</b>	<b>-</b>	<b>3,565,994</b>
<b>Net Assets, end of year</b>	<b>\$ 3,297,300</b>	<b>\$ (1,010,487)</b>	<b>\$ 827,446</b>	<b>\$ -</b>	<b>\$ 3,114,259</b>

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

## Combining Schedule of Activities

<i>For the Year Ended June 30, 2021</i>	JFCS	5841	JRFS	Eliminations	Total
<b>Public Support and Revenues</b>					
<b>without Donor Restrictions:</b>					
Contributions from the Federation	\$ 195,000	\$ -	\$ -	\$ -	\$ 195,000
Contributions	2,298,101	-	267,196	-	2,565,297
Government grant revenue	909,299	-	329,660	-	1,238,959
Fundraising events	373,842	-	-	-	373,842
Contracts and other grants	649,976	-	163,262	-	813,238
Claims Conference grant revenue	6,666,894	-	-	-	6,666,894
Net patient service revenue	1,712,937	-	2,169,163	-	3,882,100
Rental income	-	316,408	-	(300,000)	16,408
Other	114,455	-	23,914	(12,000)	126,369
Net assets released from restrictions	469,715	-	117,381	-	587,096
<b>Total Public Support and Revenues without Donor Restrictions</b>	<b>13,390,219</b>	<b>316,408</b>	<b>3,070,576</b>	<b>(312,000)</b>	<b>16,465,203</b>
<b>Expenses</b>					
<b>Program Services:</b>					
Community services	893,231	-	-	(48,734)	844,497
Long-term care	7,965,402	-	-	(114,754)	7,850,648
Behavioral health	1,955,776	-	-	(67,298)	1,888,478
Residential	-	-	2,463,493	-	2,463,493
<b>Total Program Services</b>	<b>10,814,409</b>	<b>-</b>	<b>2,463,493</b>	<b>(230,786)</b>	<b>13,047,116</b>
<b>Support Services:</b>					
Fundraising and development	1,055,089	-	-	(39,624)	1,015,465
Management and general	386,522	380,358	291,089	(41,590)	1,016,379
<b>Total Support Services</b>	<b>1,441,611</b>	<b>380,358</b>	<b>291,089</b>	<b>(81,214)</b>	<b>2,031,844</b>
<b>Total Expenses</b>	<b>12,256,020</b>	<b>380,358</b>	<b>2,754,582</b>	<b>(312,000)</b>	<b>15,078,960</b>
<b>Change in Net Assets without Donor Restrictions</b>	<b>1,134,199</b>	<b>(63,950)</b>	<b>315,994</b>	<b>-</b>	<b>1,386,243</b>
<b>Public Support and Revenues with Donor Restrictions</b>					
Contributions from Federation	461,696	-	-	-	461,696
Contributions	93,680	-	-	-	93,680
Contracts and grants	60,500	-	-	-	60,500
Investment income, net	38,313	-	-	-	38,313
Net assets released from restrictions	(469,715)	-	(117,381)	-	(587,096)
<b>Total Public Support and Revenues with Donor Restrictions</b>	<b>184,474</b>	<b>-</b>	<b>(117,381)</b>	<b>-</b>	<b>67,093</b>
<b>Change in Net Assets with Donor Restrictions</b>	<b>184,474</b>	<b>-</b>	<b>(117,381)</b>	<b>-</b>	<b>67,093</b>
<b>Change in Net Assets</b>	<b>1,318,673</b>	<b>(63,950)</b>	<b>198,613</b>	<b>-</b>	<b>1,453,336</b>
<b>Net Assets, beginning of year</b>	<b>1,551,639</b>	<b>(892,889)</b>	<b>1,453,908</b>	<b>-</b>	<b>2,112,658</b>
<b>Net Assets, end of year</b>	<b>\$ 2,870,312</b>	<b>\$ (956,839)</b>	<b>\$ 1,652,521</b>	<b>\$ -</b>	<b>\$ 3,565,994</b>