

**JEWISH FAMILY AND CHILDREN'S  
SERVICE OF MINNEAPOLIS**

**CONSOLIDATED FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORT**

For The Years Ended  
December 31, 2022 and 2021

**JEWISH FAMILY AND CHILDREN'S SERVICE OF MINNEAPOLIS**  
**TABLE OF CONTENTS**

---

		<u>Page Number</u>
Independent Auditor's Report		1
<b>CONSOLIDATED FINANCIAL STATEMENTS</b>		
Consolidated Statements of Financial Position	Statement 1	5
Consolidated Statements of Activities	Statement 2	6
Consolidated Statements of Functional Expenses	Statement 3	7
Consolidated Statements of Cash Flows	Statement 4	9
Notes to Consolidated Financial Statements		10
<b>SUPPLEMENTARY INFORMATION</b>		
Consolidating Statement of Financial Position	Schedule 1	26
Consolidating Statement of Activities	Schedule 2	27



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Jewish Family and Children's Service of Minneapolis  
Minneapolis, Minnesota

### **Opinion**

We have audited the accompanying consolidated financial statements of Jewish Family and Children's Service of Minneapolis (a nonprofit organization), which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Jewish Family and Children's Service of Minneapolis as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Jewish Family and Children's Service of Minneapolis and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related 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 Consolidated Financial Statements**

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Jewish Family and Children's Service of Minneapolis' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Jewish Family and Children's Service of Minneapolis' 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 consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Jewish Family and Children's Service of Minneapolis' ability to continue as a going concern for a reasonable period of time.

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

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules are presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

  
REDPATH AND COMPANY, LTD.  
St. Paul, Minnesota

July 26, 2023

## **CONSOLIDATED FINANCIAL STATEMENTS**

**JEWISH FAMILY AND CHILDREN'S SERVICE OF MINNEAPOLIS**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
December 31, 2022 and 2021

**Statement 1**

	2022	2021
Current assets:		
Cash and cash equivalents	\$4,059,371	\$4,185,414
Accounts receivable, net	401,940	499,504
Grants receivable	655,494	708,208
Program loans receivable, net	83	7,655
Contributions receivable, net	1,683,139	1,327,033
Other receivables	17,991	13,163
Inventory	29,640	19,861
Prepaid expenses and other assets	179,721	164,180
Total current assets	<u>7,027,379</u>	<u>6,925,018</u>
Long-term assets:		
Investments	483,557	506,514
Beneficial interest in the net assets of the Minneapolis Jewish Federation	15,389,252	16,952,003
Contributions receivable, net of current portion	13,009,959	12,688,846
Property and equipment, net of accumulated depreciation	9,549,636	9,967,347
Total long-term assets	<u>38,432,404</u>	<u>40,114,710</u>
Total assets	<u><u>\$45,459,783</u></u>	<u><u>\$47,039,728</u></u>
Current liabilities:		
Accounts payable	\$263,708	\$229,855
Accrued liabilities	343,312	329,229
Total current liabilities	<u>607,020</u>	<u>559,084</u>
Long-term liabilities:		
Deferred compensation	287,306	306,514
Funds held for others	150,000	150,000
Total long-term liabilities	<u>437,306</u>	<u>456,514</u>
Total liabilities	<u>1,044,326</u>	<u>1,015,598</u>
Net assets:		
Without donor restrictions	16,395,627	16,913,330
With donor restrictions	28,019,830	29,110,800
Total net assets	<u>44,415,457</u>	<u>46,024,130</u>
Total liabilities and net assets	<u><u>\$45,459,783</u></u>	<u><u>\$47,039,728</u></u>

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

**JEWISH FAMILY AND CHILDREN'S SERVICE OF MINNEAPOLIS**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES**  
For The Years Ended December 31, 2022 and 2021

**Statement 2**

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support:						
Direct contributions	\$643,435	\$2,881,482	\$3,524,917	\$657,944	\$2,515,685	\$3,173,629
Indirect contributions	18,406	5,806	24,212	1,200	-	1,200
Government grants	2,926,268	-	2,926,268	2,673,750	-	2,673,750
Government agencies	1,390,964	-	1,390,964	1,103,721	-	1,103,721
Nongovernment grants	1,231,253	2,594,676	3,825,929	1,211,090	1,900,200	3,111,290
Special events, net	266,273	155,865	422,138	283,276	156,684	439,960
Total support	6,476,599	5,637,829	12,114,428	5,930,981	4,572,569	10,503,550
Revenue:						
Program related sales and fees	1,144,735	-	1,144,735	1,142,914	-	1,142,914
Change in value of beneficial interest in the net assets of the Minneapolis Jewish Federation	(402,553)	(1,520,149)	(1,922,702)	394,594	1,893,472	2,288,066
Investment income	1,118	7,584	8,702	599	7,780	8,379
Other	174,253	-	174,253	181,345	-	181,345
Total revenue	917,553	(1,512,565)	(595,012)	1,719,452	1,901,252	3,620,704
Net assets released from restriction	5,216,234	(5,216,234)	-	5,409,631	(5,409,631)	-
Net support and revenue	12,610,386	(1,090,970)	11,519,416	13,060,064	1,064,190	14,124,254
Expenses and losses:						
Program services:						
Counseling and mental health	2,296,990	-	2,296,990	1,595,529	-	1,595,529
Aging services	1,525,760	-	1,525,760	1,537,846	-	1,537,846
Community engagement	1,080,801	-	1,080,801	877,803	-	877,803
Children and family services	1,821,460	-	1,821,460	1,819,219	-	1,819,219
Career services	2,635,457	-	2,635,457	2,399,138	-	2,399,138
Helena Bigos Supporting Foundation	1,232,952	-	1,232,952	1,494,010	-	1,494,010
Total program services	10,593,420	-	10,593,420	9,723,545	-	9,723,545
Supporting services:						
Management and general	1,751,268	-	1,751,268	1,784,584	-	1,784,584
Development and fundraising	783,401	-	783,401	687,099	-	687,099
Total supporting services	2,534,669	-	2,534,669	2,471,683	-	2,471,683
Total expenses	13,128,089	-	13,128,089	12,195,228	-	12,195,228
Changes in net assets	(517,703)	(1,090,970)	(1,608,673)	864,836	1,064,190	1,929,026
Net assets, beginning of year	16,913,330	29,110,800	46,024,130	16,048,494	28,046,610	44,095,104
Net assets, end of year	\$16,395,627	\$28,019,830	\$44,415,457	\$16,913,330	\$29,110,800	\$46,024,130

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



**JEWISH FAMILY AND CHILDREN'S SERVICE OF MINNEAPOLIS**  
**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES**  
For The Years Ended December 31, 2022 and 2021

**Statement 3**  
**Page 1 of 2**

	2022									
	Program Services						Supporting Services			Total Expenses
	Counseling and Mental Health	Aging Services	Community Engagement	Children and Family Services	Career Services	Helena Bigos Supporting Foundation	Total	Management and General	Development and Fundraising	
Expenses:										
Grants, contracts, and direct assistance	\$277,059	\$719,635	\$338,249	\$581,660	\$892,630	\$1,232,952	\$4,042,185	\$2,550	\$2,000	\$4,046,735
Salary and wages	1,351,031	558,956	416,803	810,107	1,185,293	-	4,322,190	956,532	484,910	5,763,632
Employee benefits	192,354	79,026	58,797	114,406	166,089	-	610,672	168,646	68,622	847,940
Payroll taxes and unemployment	103,545	42,487	31,594	61,963	90,319	-	329,908	97,148	36,899	463,955
Professional fees	11,765	2,009	45,502	1,784	7,232	-	68,292	132,414	11,447	212,153
Supplies	10,210	4,458	94,071	70,663	16,907	-	196,309	63,878	7,219	267,406
Telephone and telecommunications	4,663	4,528	1,505	17,118	10,470	-	38,284	24,630	1,017	63,931
Postage and shipping	2,557	736	3,591	122	2,680	-	9,686	5,522	11,409	26,617
Printing and copying	4,776	4,200	10,862	2,505	4,855	-	27,198	28,277	15,786	71,261
Rent, parking, and other occupancy	79,531	19,549	22,621	48,285	123,062	-	293,048	58,121	29,371	380,540
Equipment/software licensing and support	-	1,941	832	-	3,767	-	6,540	67,573	64,314	138,427
Travel/mileage	2,344	27,077	693	21,955	1,516	-	53,585	176	1,628	55,389
Conferences, conventions, and meetings	1,070	333	15,748	1,741	1,540	-	20,432	11,508	114,193	146,133
Membership dues	3,024	270	-	4,673	658	-	8,625	9,140	-	17,765
Staff development	2,979	991	742	2,312	6,292	-	13,316	2,739	1,774	17,829
Advertising	1,710	960	466	5,859	12,999	-	21,994	3,371	293	25,658
Bad debt expense	99,004	-	-	-	-	-	99,004	-	-	99,004
Other expense	34,261	11,627	3,795	8,557	11,249	-	69,489	36,635	23,806	129,930
Total expenses before depreciation	2,181,883	1,478,783	1,045,871	1,753,710	2,537,558	1,232,952	10,230,757	1,668,860	874,688	12,774,305
Depreciation	115,107	46,977	34,930	67,750	97,899	-	362,663	82,408	40,990	486,061
Total expenses by function	2,296,990	1,525,760	1,080,801	1,821,460	2,635,457	1,232,952	10,593,420	1,751,268	915,678	13,260,366
Less expenses included with revenues on the statement of activities:										
Cost of direct benefit to donors	-	-	-	-	-	-	-	-	(132,277)	(132,277)
Total expenses included in the expense section on the statement of activities	\$2,296,990	\$1,525,760	\$1,080,801	\$1,821,460	\$2,635,457	\$1,232,952	\$10,593,420	\$1,751,268	\$783,401	\$13,128,089

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

**JEWISH FAMILY AND CHILDREN'S SERVICE OF MINNEAPOLIS**  
**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES**  
For The Years Ended December 31, 2022 and 2021

**Statement 3**  
**Page 2 of 2**

	2021									
	Program Services						Supporting Services			Total Expenses
	Counseling and Mental Health	Aging Services	Community Engagement	Children and Family Services	Career Services	Helena Bigos Supporting Foundation	Total	Management and General	Development and Fundraising	
Expenses:										
Grants, contracts, and direct assistance	\$141,815	\$783,140	\$210,972	\$554,259	\$796,088	\$1,494,010	\$3,980,284	\$2,501	(\$1,580)	\$3,981,205
Salary and wages	1,037,958	512,732	389,272	822,754	1,090,673	-	3,853,389	996,143	444,351	5,293,883
Employee benefits	134,696	65,652	47,189	106,378	140,616	-	494,531	150,238	57,327	702,096
Payroll taxes and unemployment	85,737	41,419	30,057	67,750	89,519	-	314,482	80,661	36,248	431,391
Professional fees	2,835	21,325	41,738	1,531	18,022	-	85,451	126,566	60,371	272,388
Supplies	5,638	5,585	77,916	80,806	11,319	-	181,264	139,297	3,670	324,231
Telephone and telecommunications	5,073	7,381	1,697	26,861	15,120	-	56,132	9,128	1,331	66,591
Postage and shipping	1,572	1,366	3,375	541	4,833	-	11,687	5,695	13,955	31,337
Printing and copying	5,790	6,254	13,716	4,221	8,250	-	38,231	38,480	12,241	88,952
Rent, parking, and other occupancy	57,364	19,723	19,346	49,515	112,363	-	258,311	56,949	24,290	339,550
Equipment/software licensing and support	-	-	-	-	-	-	-	50,481	58,139	108,620
Travel/mileage	1,240	19,288	948	18,058	1,430	-	40,964	-	194	41,158
Conferences, conventions, and meetings	417	2,232	5,656	1,194	90	-	9,589	6,413	8,083	24,085
Membership dues	2,903	561	-	6,571	725	-	10,760	10,661	-	21,421
Staff development	530	1,871	397	3,398	11,069	-	17,265	1,011	1,508	19,784
Advertising	1,287	56	19	-	4,500	-	5,862	2,522	85	8,469
Other expense	26,441	8,525	5,990	8,977	10,445	-	60,378	28,592	13,594	102,564
Total expenses before depreciation	1,511,296	1,497,110	848,288	1,752,814	2,315,062	1,494,010	9,418,580	1,705,338	733,807	11,857,725
Depreciation	84,233	40,736	29,515	66,405	84,076	-	304,965	79,246	35,605	419,816
Total expenses by function	1,595,529	1,537,846	877,803	1,819,219	2,399,138	1,494,010	9,723,545	1,784,584	769,412	12,277,541
Less expenses included with revenues on the statement of activities:										
Cost of direct benefit to donors	-	-	-	-	-	-	-	-	(82,313)	(82,313)
Total expenses included in the expense section on the statement of activities	<u>\$1,595,529</u>	<u>\$1,537,846</u>	<u>\$877,803</u>	<u>\$1,819,219</u>	<u>\$2,399,138</u>	<u>\$1,494,010</u>	<u>\$9,723,545</u>	<u>\$1,784,584</u>	<u>\$687,099</u>	<u>\$12,195,228</u>

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

**JEWISH FAMILY AND CHILDREN'S SERVICE OF MINNEAPOLIS**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
For The Years Ended December 31, 2022 and 2021

**Statement 4**

	2022	2021
Cash flows from operating activities:		
Change in net assets	(\$1,608,673)	\$1,929,026
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	486,061	419,816
Change in value of beneficial interest in the net assets of the Minneapolis Jewish Federation	1,922,702	(2,288,066)
Contributions restricted to endowment	(37,618)	(45,383)
Decrease (increase) in operating assets:		
Accounts receivable	97,564	(84,464)
Grants receivable	52,714	(138,718)
Program loans receivable	7,572	11,111
Contributions receivable	(677,219)	682,205
Other receivables	(4,828)	(3,549)
Inventory	(9,779)	(3,330)
Prepaid expenses and other assets	(15,541)	(32,674)
Increase (decrease) in operating liabilities:		
Accounts payable	33,853	12,254
Accrued liabilities	14,083	34,998
Deferred compensation	(19,208)	35,571
Net cash provided by operating activities	<u>241,683</u>	<u>528,797</u>
Cash flows from investing activities:		
Purchase of property and equipment	(68,350)	(203,787)
Purchase of investments, including reinvested income	22,957	(35,571)
Cash transferred to Minneapolis Jewish Federation	(372,258)	(338,703)
Distributions from Minneapolis Jewish Federation	12,307	-
Net cash used in investing activities	<u>(405,344)</u>	<u>(578,061)</u>
Cash flows from financing activities:		
Collection of contributions restricted to endowment	<u>37,618</u>	<u>45,383</u>
Net increase (decrease) in cash and cash equivalents	(126,043)	(3,881)
Cash and cash equivalents - beginning of year	<u>4,185,414</u>	<u>4,189,295</u>
Cash and cash equivalents - end of year	<u><u>\$4,059,371</u></u>	<u><u>\$4,185,414</u></u>

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

**JEWISH FAMILY AND CHILDREN'S SERVICE OF MINNEAPOLIS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2022 and 2021

---

**NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. NATURE OF OPERATIONS**

Jewish Family and Children's Service of Minneapolis is guided by its mission to provide essential services to people of all ages and backgrounds to sustain healthy relationships, ease suffering and offer support in times of need. Jewish Family and Children's Service of Minneapolis is proud to say it has been “family” to tens of thousands of people in the Jewish and general communities for more than a century. Jewish Family and Children's Service of Minneapolis provides a full spectrum of programs and services for adults, children, families, the frail elderly, refugees and immigrants, and people who struggle with poverty, emotional problems, and mental and physical disabilities.

**B. BASIS OF CONSOLIDATION**

The accompanying consolidated financial statements include the accounts and activities of Jewish Family and Children's Service of Minneapolis and a supporting foundation that was incorporated in November 2012 (collectively, the Organization). All significant intercompany balances and transactions have been eliminated.

**C. BASIS OF PRESENTATION**

Net assets and contribution revenue are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net Assets With Donor Restrictions – net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**D. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of highly liquid debt instruments with an initial maturity of three months or less.

Cash on deposit in excess of FDIC and similar insurance coverages are subject to the usual banking risks of funds in excess of those limits. At times, amounts on deposit may exceed FDIC insured limits. To date, the Organization has not experienced losses in any of these accounts.

**JEWISH FAMILY AND CHILDREN'S SERVICE OF MINNEAPOLIS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2022 and 2021

---

**E. ACCOUNTS RECEIVABLE**

Receivables from program related sales and fees are reported as accounts receivable, net in the accompanying consolidated statements of financial position. Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management records an allowance for doubtful accounts under the reserve method based on its assessment of the current status of individual accounts and historical average percentage of write-offs by category of receivables. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. An allowance of \$6,962 was recorded at December 31, 2022 and 2021.

**F. GRANTS AND CONTRIBUTIONS RECEIVABLE**

Unconditional grants and contributions receivable that are expected to be collected within one year are recorded at net realizable value. Grants and contributions receivable that are expected to be collected in future years excluding the contributions due to the supporting foundation, are recorded net of a present value discount. Included in long-term receivables at December 31, 2022 is a \$12,450,000 contribution receivable to the supporting foundation. Although collectible per the terms of the agreement, management believes it likely will not be received until 2024. Due to the uncertain timeline for collection, there is no discount recorded for this receivable.

Management records an allowance for doubtful accounts under the allowance method based on historical average percentage write-offs and its assessment of the current status of individual account balances. If management's collection attempts are unsuccessful, grants and contributions receivable balances are written off through a charge to the allowance for doubtful accounts. An allowance of \$4,606 and \$2,700 was recorded at December 31, 2022 and 2021, respectively. A discount of \$46,882 and \$8,454 was recorded at December 31, 2022 and 2021, respectively.

**G. PROGRAM LOANS RECEIVABLE**

Program loans receivable relate to various loan programs which are used to serve individuals needing emergency assistance, refugees in need of help, and individuals seeking vocational training. Outstanding loan balances are reviewed individually for timing of payments received as well as future collectability. As needed, alternative payment plans are arranged. Management records an allowance for doubtful accounts under the reserve method. Write-off of loans receivable against the related allowance occurs when all collection efforts have been exhausted. An allowance of \$2,564 was recorded at December 31, 2022 and 2021.

**H. INVESTMENTS**

Investments consist primarily of mutual funds, exchange traded funds and Israel Bonds, recorded at fair value.

**I. BENEFICIAL INTEREST IN THE NET ASSETS OF THE MINNEAPOLIS JEWISH FEDERATION**

The Minneapolis Jewish Federation (the Federation) receives contributions and invests these funds for particular purposes on the Organization's behalf. The contributions are put into funds based on the donor's stipulations. The Federation does not have variance power on these funds, therefore requiring the activity to be recorded by the Organization. The balances are at fair value.

**JEWISH FAMILY AND CHILDREN'S SERVICE OF MINNEAPOLIS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2022 and 2021

---

Due to the unitized structure of the investments at the Federation, the Organization is allocated an equitable portion of sales and purchases of investments executed at the Federation. The details of the sales and purchases of investments are maintained by the Federation. For financial statement purposes, the Organization has elected to disclose only the net change in the value of its interest in the net assets of the Federation in the consolidated financial statements.

Additional funds are held by the Federation in donor advised funds from which the Organization may receive additional contributions, however, variance powers to redirect these funds are present and the funds do not meet the reporting requirements under current guidance.

**J. PROPERTY AND EQUIPMENT**

Property and equipment that has a useful life greater than one year and a cost greater than \$1,000 is stated at cost and depreciated using a straight-line method. Depreciation of property and equipment is provided over the estimated useful lives of the respective assets.

Building and building improvements	10 - 39 years
Furniture, fixtures and equipment	3 - 10 years

**K. REVENUE AND REVENUE RECOGNITION**

The Organization recognizes support revenue when cash, securities or other assets, or an unconditional promise to give is received. Conditional promises to give with a measurable performance or other barrier and right of return, are not recognized until the conditions on which they depend have been met.

The Organization has various government contracts and grants that are generally cost-reimbursable, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenditures. Revenue without donor restrictions is recognized as qualifying expenditures are incurred, or other contractual conditions are met. Revenue recognized under government contracts and grants, including PPP loan forgiveness, is subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowable under these agreements, the Organization will record such disallowance at the time the determination is made.

There is no material amount of unrecorded conditional contributions or government grants at December 31, 2022 and 2021.

Program related sales and fee revenue represents private payments and insurance-type reimbursements for services provided to individuals. Revenue is recognized at the time the services are provided, net of any expected fee adjustments. Changes in regulations, governmental funding, or other negotiated contracts could result in changes in contract rates or reduction of services. Any such adjustments to the contract rates are recognized as an adjustment of the services when their effect becomes reasonably determinable.

**L. DONATED SERVICES AND IN-KIND CONTRIBUTIONS**

Donated services are recognized to the extent that they create or enhance nonfinancial assets or require specialized skills. Donated goods and services required by grant awards are recorded in the consolidated Statements of Activities at fair value at the date of the donation and recognized as revenue and expense in the period they are received. There were no material donated services or in-kind contributions received in 2022 or 2021.

**JEWISH FAMILY AND CHILDREN'S SERVICE OF MINNEAPOLIS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2022 and 2021

---

A number of volunteers have made contributions of their time to develop and enhance the Organization's programs. The value of this contributed volunteer time does not meet the recognition requirements for contributed services and, as such, is not reflected in these statements.

**M. FUNCTIONAL EXPENSES**

The costs of program and supporting service activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied.

Expense allocation methods are as follows:

- When employee time can be directly identified with a project or activity, salaries and wages are charged to that project or activity (direct charges). In the case of support employees whose work is not identifiable to a specific project, salaries and wages are allocated pro rata based on the direct time charged to these projects. Taxes and benefits costs are allocated pro rata based on salaries and wages.
- Occupancy expenses are allocated based on usage by program. The total occupancy cost of each facility is allocated pro rata by the number of offices or cubicles used by each program.
- Costs for equipment, such as printing and mailing equipment, are allocated pro rata based on usage of the equipment by program.
- Expenses other than those listed above, which are not directly identifiable by program or supporting services, are allocated based on the percentage of direct salaries.

**N. USE OF ESTIMATES**

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

**O. INCOME TAXES**

Jewish Family and Children's Service of Minneapolis qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and the comparable section of the Minnesota Income Tax Statutes. It has been classified as an organization that is not a private foundation under the Internal Revenue Code and contributions by donors are tax deductible. The supporting foundation is a supporting organization under 509(a)(3) of the Internal Revenue Code.

A tax expense or benefit from an uncertain income tax position (including tax-exempt status) may be recognized only when it is more likely than not that the position will be sustained upon examination by taxing authorities. Management believes the Organization has no uncertain income tax positions that would result in an accrual, expense or benefit under the more likely than not standard.

**JEWISH FAMILY AND CHILDREN'S SERVICE OF MINNEAPOLIS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2022 and 2021

---

**P. RECLASSIFICATIONS**

Certain prior year financial statement amounts have been reclassified to conform to current year presentation. The reclassification had no impact on previously reported net assets.

**NOTE 2 LIQUIDITY AND AVAILABILITY**

The following represents the Organization's financial assets available to meet cash needs for general expenditures within one year of date of the statements of financial position. Due to the nature of the restrictions from contributions received from donors, the Organization has omitted only the restricted contributions that were not deemed "general" in nature.

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$3,100,859	\$3,128,032
Accounts receivable	401,940	499,504
Grants receivable	655,494	708,208
Contributions receivable	1,683,139	1,245,342
Other receivables	17,991	13,163
Beneficial interest in the net assets of the Minneapolis Jewish Federation	<u>1,183,661</u>	<u>1,098,383</u>
	<u>\$7,043,084</u>	<u>\$6,692,632</u>

The Organization's endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

The Organization's board-designated endowment is subject to an annual spending rate as described in Note 10. Although there is no intent to spend from this board-designated endowment (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available if necessary.

As part of its liquidity management plan, the Organization structures its financial assets to be available as its general expenditures, liabilities and other obligations come due.



**JEWISH FAMILY AND CHILDREN'S SERVICE OF MINNEAPOLIS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2022 and 2021

**NOTE 3 GRANTS RECEIVABLE**

Grants receivable consisted of the following as of December 31:

	<u>2022</u>	<u>2021</u>
Government	\$368,766	\$307,115
Other	<u>286,728</u>	<u>401,093</u>
Total	<u><u>\$655,494</u></u>	<u><u>\$708,208</u></u>

**NOTE 4 JEWISH FREE LOAN PROGRAM**

The Organization issues uncollateralized loans to members of the Jewish community based on financial need under their Jewish Free Loan Program (JFLP). The loans are issued from a minimum of \$1,000 to a maximum of \$7,500 and bear no interest, and are typically repayable from 24 to 36 months. One or two co-signers are currently required who are subject to a credit check and must meet minimum credit criteria. Loans are funded from restricted contributions made by numerous donors.

Because of the strict criteria with regard to co-signers, write-offs are rare for this program. Allowances for doubtful accounts are determined based on an evaluation of the current status of any past due accounts and the average write-offs by category for prior years.

JFPL loans receivable consisted of the following as of December 31:

	<u>2022</u>	<u>2021</u>
Jewish free loans	\$2,647	\$10,219
Less: Allowance for doubtful accounts	<u>(2,564)</u>	<u>(2,564)</u>
Jewish free loans, net	<u><u>\$83</u></u>	<u><u>\$7,655</u></u>

Receivables recorded for the JFLP were included in the Program loans receivable balance on the consolidated statements of financial position at December 31, 2022 and 2021.

**JEWISH FAMILY AND CHILDREN'S SERVICE OF MINNEAPOLIS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2022 and 2021

**NOTE 5 CONTRIBUTIONS RECEIVABLE**

Contributions receivable at December 31 are expected to be collected as follows:

	<u>2022</u>	<u>2021</u>
Due within one year	\$1,683,139	\$1,327,033
Due in one to five years	<u>13,061,447</u>	<u>12,700,000</u>
Total contributions receivable	14,744,586	14,027,033
Less: Present value discount (3.5%)	(46,882)	(8,454)
Less: Allowance for uncollectible contributions	(4,606)	(2,700)
Less: Current portion	<u>(1,683,139)</u>	<u>(1,327,033)</u>
Noncurrent contributions receivable, net	<u><u>\$13,009,959</u></u>	<u><u>\$12,688,846</u></u>

**NOTE 6 INVESTMENTS**

As of December 31, the Organization held the following investments:

	<u>2022</u>	<u>2021</u>
Deposit accounts with broker	\$12,268	\$10,048
Mutual funds:		
Bond / fixed income	73,072	137,404
Equity	93,903	52,434
Balanced	57,320	59,486
Exchange traded funds (ETFs):		
Bond / fixed income	49,753	45,750
Equity	990	1,392
Israel bonds	<u>196,251</u>	<u>200,000</u>
Total	<u><u>\$483,557</u></u>	<u><u>\$506,514</u></u>

**NOTE 7 FAIR VALUE MEASUREMENTS**

The Organization has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

**JEWISH FAMILY AND CHILDREN'S SERVICE OF MINNEAPOLIS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2022 and 2021

Financial assets and liabilities recorded on the consolidated statements of activities are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access. This includes stocks, mutual funds and exchange traded funds.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the asset or liability (examples include interests in the net assets of the Federation and assets held in a trust where the Organization is not the trustee).

Financial assets that are carried at estimated fair value are categorized based on the inputs to the valuation technique as follows as of December 31:

2022				
	Level 1	Level 2	Level 3	Total
Investments:				
Mutual funds	\$224,295	\$ -	\$ -	\$224,295
Exchange traded funds	50,743	-	-	50,743
Israel bonds	-	196,251	-	196,251
Beneficial interest in the net assets of the Minneapolis Jewish Federation	-	-	15,389,252	15,389,252
Total	<u>\$275,038</u>	<u>\$196,251</u>	<u>\$15,389,252</u>	<u>\$15,860,541</u>
2021				
	Level 1	Level 2	Level 3	Total
Investments:				
Mutual funds	\$249,324	\$ -	\$ -	\$249,324
Exchange traded funds	47,142	-	-	47,142
Israel bonds	-	200,000	-	200,000
Beneficial interest in the net assets of the Minneapolis Jewish Federation	-	-	16,952,003	16,952,003
Total	<u>\$296,466</u>	<u>\$200,000</u>	<u>\$16,952,003</u>	<u>\$17,448,469</u>

**JEWISH FAMILY AND CHILDREN'S SERVICE OF MINNEAPOLIS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2022 and 2021

The basis for determining Level 3 assets is as follows:

- Beneficial Interest in Charitable Remainder Trust is based on the fair value of expected future income streams of the underlying Trust assets reported by the trustee using an estimated discount rate of 5%.
- Beneficial Interest in the Net Assets of the Minneapolis Jewish Federation is based on the unadjusted fair value of the underlying assets reported by the Minneapolis Jewish Federation.

The following is a reconciliation of the changes in Level 3 assets for the years ended December 31, 2022 and 2021:

	Beneficial Interest in Charitable Remainder Trust	Beneficial Interest in the Net Assets of the Minneapolis Jewish Federation
Balance at December 31, 2021	\$118,192	\$14,207,042
Net change in value of trust and interest in net assets of the Minneapolis Jewish Federation	-	2,288,066
Contributions	-	456,895
Distributions	(118,192)	-
Balance at December 31, 2021	-	16,952,003
Net change in value of trust and interest in net assets of the Minneapolis Jewish Federation	-	(1,922,702)
Contributions	-	372,258
Distributions	-	(12,307)
Balance at December 31, 2022	\$0	\$15,389,252

**NOTE 8 PROPERTY AND EQUIPMENT**

As of December 31, property and equipment was as follows:

	2022	2021
Property and equipment:		
Building	\$10,078,490	\$10,078,490
Building improvements	285,620	285,620
Furniture, fixtures and equipment	1,224,089	1,155,738
Total	11,588,199	11,519,848
Less: accumulated depreciation	(2,038,563)	(1,552,501)
Net capital assets	\$9,549,636	\$9,967,347

**JEWISH FAMILY AND CHILDREN'S SERVICE OF MINNEAPOLIS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2022 and 2021

**NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions were restricted for the following purposes or periods at December 31:

	<u>2022</u>	<u>2021</u>
Subject to expenditures for a specified purpose:		
Clinical and case management services	\$300,958	\$418,217
Aging and disability services	693,081	212,256
Community services	232,037	170,159
Children's services	781,656	665,655
Career services	170,652	90,062
Next Century	712,810	862,810
Building	245,702	276,264
Other restrictions	326,986	192,049
	<u>3,463,882</u>	<u>2,887,472</u>
Subject to the passage of time:		
Promises to give that are not restricted by donors, but which are unavailable for expenditure until due	<u>558,025</u>	<u>695,947</u>
Endowments:		
Subject to appropriation and expenditure when a specified event occurs	5,677,031	7,815,421
Subject to JFCS endowment spending policy and appropriation	18,320,892	17,711,960
	<u>23,997,923</u>	<u>25,527,381</u>
 Total	 <u><u>\$28,019,830</u></u>	 <u><u>\$29,110,800</u></u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by the donors as follows for the years ended December 31:

	<u>2022</u>	<u>2021</u>
Program restrictions accomplished	\$1,766,061	\$1,720,611
Time restrictions expired	1,196,355	1,135,122
Release of appropriated endowment returns	626,922	554,232
Release from Helena Bigos Supporting Foundation	1,626,896	1,999,666
 Total	 <u><u>\$5,216,234</u></u>	 <u><u>\$5,409,631</u></u>

**JEWISH FAMILY AND CHILDREN'S SERVICE OF MINNEAPOLIS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2022 and 2021

---

**NOTE 10 ENDOWMENTS**

The Organization maintained approximately 300 endowment funds in the JFCS endowment fund as of December 31, 2022 and 2021. In addition, the supporting foundation separately maintains one endowment fund. In the consolidated financial statements, the JFCS endowment fund and the portion of the supporting organization endowment fund which benefits the Organization are collectively referred to as the Endowments.

**A. JFCS ENDOWMENT FUND**

The funds that comprise the JFCS endowment fund were established for a variety of purposes. The Organization established a fund at the Federation to manage these funds.

The endowment includes donor-restricted and board designated funds. As required, net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on existence or absence of donor-imposed restrictions.

The Board of Directors of the Organization has interpreted the Minnesota Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds. As a result of this interpretation, the Organization retains in perpetuity (a) the original value of initial and subsequent gifts donated to the endowment, and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

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

- The duration and preservation of the fund
- The purpose of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

Funds with Deficiencies – From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the original value of the gifts, due to unfavorable market fluctuations. There were no deficiencies of this nature as of December 31, 2022 and 2021.

Return Objectives and Risk Parameters – The Organization views itself as a moderate risk taker and has adopted policies with the primary investment objective of preservation of capital, on an inflation-adjusted basis, and secondarily, to achieve long-term capital appreciation.

Strategies Employed for Achieving Objectives – The Organization has adopted investment and spending policies 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. Under this policy, as approved by the board of directors, the endowment assets are transferred to Federation, who in turn invests in a manner intended to exceed appropriate benchmarks over a full market cycle.

**JEWISH FAMILY AND CHILDREN'S SERVICE OF MINNEAPOLIS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2022 and 2021

---

Spending Policy – The Organization appropriates 4% of the average balance of the endowment's fair market value as of December 31 of each of the three years prior to the start of the fiscal year. In establishing these policies, the Organization considered the long-term expected return on its endowment. Accordingly, over the long term, 4% was determined to be the maximum sustainable spending rate that would allow the endowment to grow in excess of the rate of inflation. The Organization's board can authorize up to a 5% spending rate if conditions warrant this change.

Investment fees paid to the Federation were \$157,276 and \$155,655 for the years ended December 31, 2022 and 2021.

**B. SUPPORTING FOUNDATION ENDOWMENT FUND**

The supporting foundation endowment fund was established to benefit the operations of JFCS and, in the future, other organizations as well. Per donor stipulations, contributions to the fund are permanently restricted, and contributions are to be invested in Israel Bonds. The portions of cash contributions and pledges that will benefit the Organization are recorded as contributions in the consolidated financial statements at the present value of the future benefit.

During 2018, the supporting foundation was named the beneficiary of an estate gift. Per the terms of the gift, the supporting foundation will receive an additional \$49,800,000 in Israel Bonds, which are to be invested in Israel Bonds into perpetuity. JFCS has an irrevocable 25% interest in the net income of the bonds and four other organizations equally share the irrevocable right to the remaining 75%. The full amount of net income of the bonds is to be distributed annually by the supporting foundation and is considered to be without donor restriction.

As of December 31, 2022 and 2021, the Organization has recorded a contribution receivable equal to the 25% portion of the gift. Once the investments are transferred into the name of the supporting foundation, the Organization will record an asset for the fair value of the bonds held, with an offsetting liability related to the assets held in trust for the other organizations.

During 2022, JFCS received payments of investment income accrued in fiscal year 2021 of \$432,022 and recorded contributions receivable for accrued investment income for 2022 estimated investment gains on its 25% interest in the bonds of \$392,054. During 2021, JFCS received payments of investment income accrued in fiscal year 2020 of \$468,140 and recorded accrued investment income for 2021 estimated investment gains on its 25% interest in the bonds of \$415,765.

**JEWISH FAMILY AND CHILDREN'S SERVICE OF MINNEAPOLIS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2022 and 2021

**C. ENDOWMENT FUND SUMMARY**

Endowment net assets for the JFCS and supporting foundation endowment funds as of December 31 consisted of the following:

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Board designated:			
Endowment funds	\$3,147,171	\$ -	\$3,147,171
Donor restricted:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	18,320,892	18,320,892
Accumulated investment gains	-	5,677,031	5,677,031
Total endowment funds	<u>\$3,147,171</u>	<u>\$23,997,923</u>	<u>\$27,145,094</u>
	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Board designated:			
Endowment funds	\$3,439,132	\$ -	\$3,439,132
Donor restricted:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	17,711,960	17,711,960
Accumulated investment gains	-	7,815,421	7,815,421
Total endowment funds	<u>\$3,439,132</u>	<u>\$25,527,381</u>	<u>\$28,966,513</u>



**JEWISH FAMILY AND CHILDREN'S SERVICE OF MINNEAPOLIS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2022 and 2021

Change in endowment net assets for the years ended December 31 were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, December 31, 2020	\$2,820,324	\$24,014,256	\$26,834,580
Change in value of beneficial interest in the net assets of the Minneapolis Jewish Federation	394,594	1,893,472	2,288,066
Investment returns	-	7,560	430,288
Contributions received	106,022	2,165,991	355,275
New designations	118,192	-	118,192
Appropriation of endowment assets for expenditure	<u>-</u>	<u>(2,553,898)</u>	<u>(1,059,888)</u>
Endowment net assets, December 31, 2021	<u>3,439,132</u>	<u>25,527,381</u>	<u>28,966,513</u>
Change in value of beneficial interest in the net assets of the Minneapolis Jewish Federation	(402,553)	(1,520,149)	(1,922,702)
Investment returns	-	3,835	3,835
Contributions received	110,592	2,240,672	2,351,264
New designations	-	-	-
Appropriation of endowment assets for expenditure	<u>-</u>	<u>(2,253,816)</u>	<u>(2,253,816)</u>
Endowment net assets, December 31, 2022	<u>\$3,147,171</u>	<u>\$23,997,923</u>	<u>\$27,145,094</u>

**NOTE 11 DEFERRED COMPENSATION**

The Organization has a deferred compensation plan for certain key individuals. The plan requires the Organization to accrue a percentage of the individuals' compensation to be paid after retirement. Expenses under the plan were \$24,518 and \$20,358 for the years ended December 31, 2022 and 2021, respectively. In addition, certain individuals may elect to defer a portion of their salaries, subject to IRS limits, to the deferred compensation plan. Accrued amounts of \$287,307 and \$306,514 are included in long-term liabilities as of December 31, 2022 and 2021, respectively.

**JEWISH FAMILY AND CHILDREN'S SERVICE OF MINNEAPOLIS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2022 and 2021

---

**NOTE 12 LEASE REVENUE**

The Organization receives revenue from an agreement for the lease of space to another entity. For accounting purposes, the lease is considered an operating lease. Payments are received in monthly installments of \$5,205 - \$6,796 through the remaining term of the agreement, in addition to common area maintenance charges. The lease commenced in April 2018 and is effective through March 2033.

Expected future minimum lease receipts are as follows:

2023	\$64,670
2024	65,964
2025	67,283
2026	68,629
2027	70,001
Thereafter	<u>402,268</u>
Total	<u>\$738,815</u>

**NOTE 13 RETIREMENT PLAN**

The Organization sponsors a safe-harbor 401(k) profit-sharing retirement plan. Under this plan, employees age 18 years or older can contribute up to statutory limits. All employees who work at the Organization are eligible to receive matching contributions from the Organization. The Organization makes a contribution equal to 100% of the employee's salary reduction up to 3% and 50% of the employee's salary reduction up to 4%. Retirement expenses under this retirement plan were \$207,350 and \$187,258 for the years ended December 31, 2022 and 2021, respectively.

**NOTE 14 PAYCHECK PROTECTION PROGRAM LOAN**

The Organization entered into an unsecured loan agreement on April 10, 2020 for \$1,196,400, pursuant to the Paycheck Protection Program (PPP) created by Section 1102 of the Coronavirus Aid, Relief, and Economic Security Act, which was fully forgiven by the SBA on November 16, 2020. Loan forgiveness is subject to a six-year audit period.

**NOTE 15 SUBSEQUENT EVENTS**

Management has evaluated subsequent events through July 26, 2023, the date that the report was available to be issued.

## **SUPPLEMENTARY INFORMATION**

**JEWISH FAMILY AND CHILDREN'S SERVICE OF MINNEAPOLIS**  
CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
December 31, 2022

**Schedule 1**

	JFCS	Helena Bigos Supporting Foundation	Eliminations	Total
Current assets:				
Cash and cash equivalents	\$4,055,497	\$3,874	\$ -	\$4,059,371
Accounts receivable, net	401,940	-	-	401,940
Grants receivable	655,494	-	-	655,494
Program loans receivable, net	83	-	-	83
Contributions receivable, net	1,230,694	452,445	-	1,683,139
Other receivables	16,931	1,060	-	17,991
Inventory	29,640	-	-	29,640
Prepaid expenses and other assets	179,721	-	-	179,721
Due from related party	448,696	-	(448,696)	-
Total current assets	7,018,696	457,379	(448,696)	7,027,379
Long-term assets:				
Investments	287,306	196,251	-	483,557
Beneficial interest in the net assets of the Minneapolis Jewish Federation	15,389,252	-	-	15,389,252
Contributions receivable, net of current portion	559,959	12,450,000	-	13,009,959
Property and equipment, net of accumulated depreciation	9,549,636	-	-	9,549,636
Total long-term assets	25,786,153	12,646,251	-	38,432,404
Total assets	\$32,804,849	\$13,103,630	(\$448,696)	\$45,459,783
Current liabilities:				
Accounts payable	\$263,708	\$ -	\$ -	\$263,708
Accrued liabilities	349,309	(5,997)	-	343,312
Due to related party	-	448,696	(448,696)	-
Total current liabilities	613,017	442,699	(448,696)	607,020
Long-term liabilities:				
Deferred compensation	287,306	-	-	287,306
Funds held for others	-	150,000	-	150,000
Total long-term liabilities	287,306	150,000	-	437,306
Total liabilities	900,323	592,699	(448,696)	1,044,326
Net assets:				
Without donor restrictions	16,395,627	-	-	16,395,627
With donor restrictions	15,508,899	12,510,931	-	28,019,830
Total net assets	31,904,526	12,510,931	-	44,415,457
Total liabilities and net assets	\$32,804,849	\$13,103,630	(\$448,696)	\$45,459,783

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

**JEWISH FAMILY AND CHILDREN'S SERVICE OF MINNEAPOLIS**  
**CONSOLIDATING STATEMENT OF ACTIVITIES**  
For The Year Ended December 31, 2022

**Schedule 2**

	JFCS			Helena Bigos Supporting Foundation			Consolidated Total			
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Eliminations	Without Donor Restrictions	With Donor Restrictions	Total
Support:										
Direct contributions	\$1,037,379	\$1,184,036	\$2,221,415	\$ -	\$1,697,446	\$1,697,446	(\$393,944)	\$643,435	\$2,881,482	\$3,524,917
Indirect contributions	18,406	5,806	24,212	-	-	-	-	18,406	5,806	24,212
Government grants	2,926,268	-	2,926,268	-	-	-	-	2,926,268	-	2,926,268
Government agencies	1,390,964	-	1,390,964	-	-	-	-	1,390,964	-	1,390,964
Nongovernment grants	1,231,253	2,594,676	3,825,929	-	-	-	-	1,231,253	2,594,676	3,825,929
Special events, net	266,273	155,865	422,138	-	-	-	-	266,273	155,865	422,138
Total support	6,870,543	3,940,383	10,810,926	-	1,697,446	1,697,446	(393,944)	6,476,599	5,637,829	12,114,428
Revenue:										
Program related sales and fees	1,144,735	-	1,144,735	-	-	-	-	1,144,735	-	1,144,735
Change in value of beneficial interest in the net assets of the Minneapolis Jewish Federation	(402,553)	(1,520,149)	(1,922,702)	-	-	-	-	(402,553)	(1,520,149)	(1,922,702)
Investment income	1,118	3,749	4,867	-	3,835	3,835	-	1,118	7,584	8,702
Other	174,253	-	174,253	-	-	-	-	174,253	-	174,253
Total revenue	917,553	(1,516,400)	(598,847)	-	3,835	3,835	-	917,553	(1,512,565)	(595,012)
Net assets released from restriction	3,589,338	(3,589,338)	-	1,626,896	(1,626,896)	-	-	5,216,234	(5,216,234)	-
Net support and revenue	11,377,434	(1,165,355)	10,212,079	1,626,896	74,385	1,701,281	(393,944)	12,610,386	(1,090,970)	11,519,416
Expenses and losses:										
Program services:										
Counseling and mental health	2,296,990	-	2,296,990	-	-	-	-	2,296,990	-	2,296,990
Aging services	1,525,760	-	1,525,760	-	-	-	-	1,525,760	-	1,525,760
Community engagement	1,080,801	-	1,080,801	-	-	-	-	1,080,801	-	1,080,801
Children and family services	1,821,460	-	1,821,460	-	-	-	-	1,821,460	-	1,821,460
Career services	2,635,457	-	2,635,457	-	-	-	-	2,635,457	-	2,635,457
Helena Bigos Supporting Foundation	-	-	-	1,626,896	-	1,626,896	(393,944)	1,232,952	-	1,232,952
Total program services	9,360,468	-	9,360,468	1,626,896	-	1,626,896	(393,944)	10,593,420	-	10,593,420
Supporting services:										
Management and general	1,751,268	-	1,751,268	-	-	-	-	1,751,268	-	1,751,268
Development and fundraising	783,401	-	783,401	-	-	-	-	783,401	-	783,401
Total supporting services	2,534,669	-	2,534,669	-	-	-	-	2,534,669	-	2,534,669
Total expenses	11,895,137	-	11,895,137	1,626,896	-	1,626,896	(393,944)	13,128,089	-	13,128,089
Changes in net assets	(517,703)	(1,165,355)	(1,683,058)	-	74,385	74,385	-	(517,703)	(1,090,970)	(1,608,673)
Net assets, beginning of year	16,913,330	16,674,254	33,587,584	-	12,436,546	12,436,546	-	16,913,330	29,110,800	46,024,130
Net assets, end of year	\$16,395,627	\$15,508,899	\$31,904,526	\$ -	\$12,510,931	\$12,510,931	\$ -	\$16,395,627	\$28,019,830	\$44,415,457

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