



**JEWISH FAMILY SERVICES OF SILICON VALLEY
(A CALIFORNIA NONPROFIT ORGANIZATION)**

FINANCIAL STATEMENTS

WITH

INDEPENDENT AUDITOR'S REPORT

YEAR ENDED JUNE 30, 2020

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
JEWISH FAMILY SERVICES OF SILICON VALLEY

Report on the Financial Statements

We have audited the accompanying financial statements of Jewish Family Services of Silicon Valley (a California nonprofit corporation), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jewish Family Services of Silicon Valley as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 26, 2020, on our consideration of Jewish Family Services of Silicon Valley's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Jewish Family Services of Silicon Valley's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jewish Family Services of Silicon Valley's internal control over financial reporting and compliance.



Tryna Accountancy Corporation

Oakland, California

August 26, 2020

JEWISH FAMILY SERVICES OF SILICON VALLEY
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
ASSETS			
Cash and cash equivalents	\$ 627,856	\$ 168,389	\$ 796,245
Certificate of deposit	103,319	-	103,319
Donations, grants and awards receivable	49,265	212,436	261,701
Pledges receivable, current, net	21,128	-	21,128
Inventory	5,259	-	5,259
Prepaid expenses	2,538	-	2,538
TOTAL CURRENT ASSETS	809,365	380,825	1,190,190
Pledges receivable, long term, net	-	53,830	53,830
Investments	65,128	-	65,128
Property and equipment, net	16,595	-	16,595
TOTAL ASSETS	\$ 891,087	\$ 434,655	\$ 1,325,742
LIABILITIES			
Accounts payable	\$ 1,594	\$ -	\$ 1,594
Refundable advances	91,297	-	91,297
Accrued compensation	68,762	-	68,762
PPP Loan, current	82,074	-	82,074
CURRENT LIABILITIES	243,727	-	243,727
PPP Loan, long term	128,883	-	128,883
TOTAL LIABILITIES	372,610	-	372,610
NET ASSETS			
Without donor restrictions	518,477	-	518,477
With donor restrictions			
Purpose and time restrictions	-	434,655	434,655
TOTAL NET ASSETS	518,477	434,655	953,132
TOTAL LIABILITIES AND NET ASSETS	\$ 891,087	\$ 434,655	\$ 1,325,742

See Independent Auditor's Report and Accompanying Notes to Financial Statements

**JEWISH FAMILY SERVICES OF SILICON VALLEY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Support			
Contracts and awards	\$ 497,571	\$ -	\$ 497,571
Grants	370,428	479,571	849,999
Donations	220,204	-	220,204
In-kind donations	117,445	68,560	186,005
Special events	159,385	-	159,385
Revenue			
Program fees	48,662	-	48,662
Interest and investment income	2,207	-	2,207
Other income	3,025	-	3,025
Net assets released from restrictions	807,069	(807,069)	-
Total revenue and other support	2,225,996	(258,938)	1,967,058
Expenses			
Program services			
Resettlement and Vocational	586,151	-	586,151
Senior Services	721,928	-	721,928
Adult and Family	214,723	-	214,723
Supporting services			
Management and general	283,058	-	283,058
Fundraising	204,209	-	204,209
Total expenses	2,010,069	-	2,010,069
Increase (decrease) in net assets	215,927	(258,938)	(43,011)
Net assets, beginning of year	302,550	693,593	996,143
Net assets, end of year	\$ 518,477	\$ 434,655	\$ 953,132

See Independent Auditor's Report and Accompanying Notes to Financial Statements

**JEWISH FAMILY SERVICES OF SILICON VALLEY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2020**

	Program Services				Supporting Services		
	Resettlement/ Vocational	Senior Services	Adult/ Family	Program Total	Management And General	Fund- raising	Total
Salaries and wages	\$ 280,101	\$ 290,106	\$ 110,041	\$ 680,248	\$ 190,069	\$ 130,047	\$ 1,000,364
Payroll taxes	20,945	21,693	8,228	50,866	14,213	9,725	74,804
Employee benefits	32,561	33,723	12,793	79,077	22,094	15,118	116,289
Advertising	1,599	1,599	1,599	4,797	-	-	4,797
Bad debts expense	23,163	28,529	8,485	60,177	11,186	8,070	79,433
Conferences and meetings	5,141	2,098	1,181	8,420	696	476	9,592
Dues, fees, and other charges	1,791	1,855	750	4,396	3,971	831	9,198
Insurance	1,903	1,971	748	4,622	1,291	883	6,796
Maintenance and repairs	1,752	1,814	688	4,254	1,189	813	6,256
Postage	-	-	-	-	1,136	3,406	4,542
Printing and publications	663	644	644	1,951	-	6,737	8,688
Professional services	1,215	10,079	3,038	14,332	11,479	564	26,375
Rent and occupancy	35,257	40,722	13,282	89,261	19,725	13,881	122,867
Events	-	-	-	-	-	8,546	8,546
Specific assistance	170,554	277,032	46,740	494,326	-	-	494,326
Supplies	3,105	3,216	3,824	10,145	2,107	2,420	14,672
IT services	4,918	5,094	1,932	11,944	3,337	2,284	17,565
Volunteers	312	311	321	944	-	-	944
Depreciation	1,171	1,442	429	3,042	565	408	4,015
Total expenses	\$ 586,151	\$ 721,928	\$ 214,723	\$ 1,522,802	\$ 283,058	\$ 204,209	\$ 2,010,069

See Independent Auditor's Report and Accompanying Notes to Financial Statements

**JEWISH FAMILY SERVICES OF SILICON VALLEY
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2020**

CASH FLOWS FROM OPERATING ACTIVITIES

Increase (decrease) in net assets	\$	(43,011)
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation		4,015
Unrealized loss		235
(Increase) decrease in operating assets		
Grants and awards receivable		138,647
Pledges receivable		75,685
Inventory		832
Prepaid expenses		(358)
Increase (decrease) in operating liabilities		
Accounts payable		1,331
Refundable advances		91,297
Accrued compensation		20,449
Net cash provided/(used) by operating activities		289,122

CASH FLOWS FROM INVESTING ACTIVITIES

Acquisition of capital assets		(7,519)
Purchase of investments		(2,130)
Reinvestment of CD		(42)

Net cash provided/(used) by investing activities		(9,691)
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CASH FLOWS FROM FINANCIAL ACTIVITIES

Proceeds from PPP loan		210,957
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Net increase/(decrease) in cash and cash equivalents		490,388
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Cash and cash equivalents, beginning of year

Cash and cash equivalents without donor restrictions		-
Cash and cash equivalents with donor restrictions		305,857
Total cash and cash equivalents, beginning of year		305,857

Cash and cash equivalents, ending of year

Cash and cash equivalents without donor restrictions		627,856
Cash and cash equivalents with donor restrictions		168,389
Total cash and cash equivalents, ending of year	\$	796,245

See Independent Auditor's Report and Accompanying Notes to Financial Statements

**JEWISH FAMILY SERVICES OF SILICON VALLEY
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF ACTIVITIES

Jewish Family Services of Silicon Valley (the Organization) is a public benefit, non-profit organization, incorporated in California in 1978. The Organization's mission is to empower individuals and families facing life's challenges by providing quality human services inspired by Jewish values. The Organization carries out this mission by providing a unique combination of multilingual and culturally sensitive services.

NOTE 2 – PROGRAM SERVICES

The Organization provides services to the community in three major programs.

Resettlement / Vocational: comprises pre-arrival planning and resettlement services, vocational English language training, English as a second language classes, initial life necessities, cultural orientation and acculturation services, financial assistance, connection to resources, and pro bono legal immigration clinic.

Senior Services: includes case management, caregiver support, geriatric assessments and care plans, home visits, referral services, emergency assistance, home care. Branch office at Chai House. Social services for Holocaust survivors.

Adult / Family Services: consists of counseling, case management, resource referrals, consultation, Project NOAH safety net assistance (emergency food, household & related assistance) and myriad volunteer opportunities.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Adoption of New Accounting Pronouncement

For the year ended June 30, 2020, The Organization implemented the following recent accounting pronouncements. The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers, which supersedes the existing transaction and industry-specific revenue recognition guidelines. The new guidance requires the recognition of revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

JEWISH FAMILY SERVICES OF SILICON VALLEY
NOTES TO FINANCIAL STATEMENTS

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES – continued

Also the FASB issued ASU No. 2016-10, Revenue from Contracts with Customers: Identifying Performance Obligations and Licensing, to clarify whether revenue should be recognized at a point in time or over time, based on whether the license provides a right to use an entity's intellectual property or a right to access the entity's intellectual property.

Net Assets

Financial statement presentation follows the requirement of the Financial Accounting Standard Board. The Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

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. There was no board-designated endowment as of June 30, 2020.

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. 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. There were no donor-imposed restrictions perpetual in nature as of June 30, 2020.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles generally accepted in the United States of America, require management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Expense Allocations by Functions

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated to the various functional areas based on work assignments of personnel and facility square footage allocations, as estimated by management. Rent expenses are allocated based on usage of premises.

**JEWISH FAMILY SERVICES OF SILICON VALLEY
NOTES TO FINANCIAL STATEMENTS**

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES – continued

Investments

The Organization carries investments in certificates of deposit held at a local financial institution and in equities held at the Jewish Federation of Silicon Valley, both with readily determinable fair values stated in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities. Investment income is reported as an increase in net assets without donor restrictions.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all cash accounts and highly liquid investment accounts, with a maturity of three months or less, to be cash equivalents.

Contributions

The Organization accounts for contributions received and contributions made in accordance with accounting standards for not-for-profit organizations. Contributions received are recorded as without donor restrictions or with donor restrictions support depending on the existence or nature of any donor restrictions. Restricted contributions are reported as an increase in net assets with donor restrictions. When the restriction is met, the amount is shown as a reclassification from net assets with donor restrictions to net assets without donor restrictions.

Contributions In-kind

Donated equipment and other donated goods are recorded at their estimated fair market value on the day of donation. Donated services are recognized as contributions if the services create or enhance a financial asset or require specialized skills which the donor has and would otherwise be purchased by the Organization. During the year ending June 30, 2020 the Organization received a significant amount of donated services from unpaid volunteers who assisted in fundraising and program services that do not satisfy the criteria for recognition under generally accepted accounting principles.

Revenue Recognition

The Organization recognizes revenue on the accrual basis of accounting. Cost reimbursable awards are recognized as revenue in the period in which the service is provided. Grants are recognized as revenue when unconditional and awarded in writing. The Organization's primary revenue sources are grants and awards from local governments and foundations, and donations from individuals and corporations.

**JEWISH FAMILY SERVICES OF SILICON VALLEY
NOTES TO FINANCIAL STATEMENTS**

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES – continued

Allowance for Doubtful Accounts

The Organization does not maintain an allowance on donations or grants receivable, as reimbursements from these funding sources are likely to be received. Management maintains a ten percent allowance on current and long-term pledges. Long term pledges have been discounted using the average US Treasury market rate, of two percent, for the current year and adding one percent for credit risk and adding one percent for valuation risk.

Inventory

Inventory consists of various gift cards donated to the Organization by members of the community. Gift cards are valued at their face value as reported on the gift card. Gift cards are distributed to clients, as necessary. Gift cards are recorded as an in-kind donation when received and expensed to direct assistance upon their distribution.

Income Taxes

The Organization is not classified as a private foundation and is exempt from federal and state income taxes under section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Code. The Organization is considered a publicly supported organization. The Financial Accounting Standards Boards prescribes a recognition threshold and a measurement attribute for financial statement recognition of tax positions taken or expected to be taken on a tax return. Management has evaluated its uncertain tax positions and related income tax contingencies and does not believe any material uncertain tax positions exist.

Property, Equipment and Depreciation

Property and equipment is recorded at cost when purchased or, if contributed, at estimated fair market value when donated. It is the Organization's policy to capitalize items costing more than \$2,000. Depreciation is computed using the straight-line method over the assets estimated useful life, which ranges from three to five years. Depreciation is charged to the activity benefiting from the use of the property or equipment.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A hierarchy has been established to prioritize the inputs to valuation techniques used to measure fair value. The fair value hierarchy is categorized into three levels based on the inputs as follows:

**JEWISH FAMILY SERVICES OF SILICON VALLEY
NOTES TO FINANCIAL STATEMENTS**

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES – continued

Level 1 - Values are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date. Level 2 - Inputs include quoted prices for similar assets or liabilities in active markets, from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Level 3 - Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Organization’s best estimate of what hypothetical market participants would use to determine a transaction price for an asset or a liability at the measurement date.

The Organization’s assets measured and reported at fair value are as follows:

	Fair Value		Level 1		Level 3
Certificates of deposit	\$ 103,319	\$	103,319	\$	-
Investments held at JF	\$ 65,128	\$	-	\$	65,128

Fair values for certificates of deposit are determined by reference to quoted market prices and other relevant information generated by market transactions.

Fair values for long-term investment held in Jewish Federation of Silicon Valley are determined based on quoted prices for identical or similar assets in markets that are not active and was provided by investment management firm.

NOTE 4 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization’s financial assets available within one year of the statement of financial position date for general expenditure are as follows:

Cash and cash equivalents	\$	796,245
Donations and grants receivable		261,701
Certificate of deposit		103,319
Pledges receivable, current, net		21,128
Less: net assets with donor restrictions		<u>(380,825)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$	<u><u>801,568</u></u>

\$801,568 of financial assets are available to cover the Organization’s liquidity needs within one year. 28% of total Organization’s support comes from contributions with donor restriction for specific program purpose. Net assets with donor restrictions that support program expenses are excluded from the liquidity calculation. The Organization’s program expenses represent 76% of total expenditures. To meet its liquidity needs, the Organization needs about 24% of total expenditure to be covered by financial assets available for general expenditures, which was \$487,267 for the year ended June 30, 2020. The Organization accumulated liquid asset to cover supporting expenses for about twenty months.

**JEWISH FAMILY SERVICES OF SILICON VALLEY
NOTES TO FINANCIAL STATEMENTS**

NOTE 5 – RECEIVABLES

At June 30, 2020 donations, grants and awards receivable consist of receivables without donor restrictions in amount of \$49,265, and with donor restrictions in amount of \$212,436, net of allowance for doubtful collection, all are due within one year.

At June 30, 2020 pledges receivable are as follows:

	<u>Gross</u>	<u>Allowance</u>	<u>Discount</u>	<u>Net</u>
Current	\$ 24,084	\$ 2,956	\$ -	\$ 21,128
Long term, 2 - 4 years	59,946	5,996	120	53,830
Total	<u>\$ 84,030</u>	<u>\$ 8,952</u>	<u>\$ 120</u>	<u>\$ 74,958</u>

NOTE 6 – CERTIFICATES OF DEPOSIT

The Organization holds a certificate of deposit, bearing interest at .01% and a maturity of nine months, with penalties for early withdrawal. Any penalties incurred for early withdrawal would not have a material effect on the financial statements. The certificate is valued at \$103,319 on June 30, 2020.

NOTE 7 – INVESTMENTS HELD AT JEWISH FEDERATION SILICON VALLEY

Investments consist of equity funds held at the Jewish Federation of Silicon Valley and are valued at \$65,128 at June 30, 2020. Investment income consists of interest. Change in investment value is as follows:

Balance, 07/01/19	\$ 63,233
Unrealized gain (loss)	(235)
Interest income, net of fees	<u>2,130</u>
Balance, 06/30/20	<u>\$ 65,128</u>

Management fees were \$637 for the year ended June 30, 2020.

NOTE 8 – PROPERTY AND EQUIPMENT

Property and equipment and related accumulated depreciation is as follows:

Furniture and equipment	\$ 33,942
Accumulated depreciation	<u>(17,347)</u>
Equipment, net	<u>\$ 16,595</u>

Depreciation expense for the year ending June 30, 2020 is \$4,015.

**JEWISH FAMILY SERVICES OF SILICON VALLEY
NOTES TO FINANCIAL STATEMENTS**

NOTE 9 – CONTINGENCIES

Conditions contained within the various contracts awarded to the Organization are subject to the funding agencies' criteria under which expenditures may be charged against and are subject to audit under such criteria. Occasionally, such audits may determine that certain costs incurred against the grants may not comply with the established criteria governing them. In such cases, the Organization's management could be held responsible for repayments to the funding agency for disallowed costs or be subject to reductions of future funding. Management does not anticipate any material questioned costs for the contracts and grants administered during the period.

NOTE 10 – LEASE COMMITMENTS

The Organization leases office space under a non-cancellable, fifteen years lease agreement, expiring in February 2020, with two, five years renewal options. After the first ten years of the lease term, and during any renewal periods, the lessor may, in its discretion, increase the rent payable each year by an amount equal to twenty cents per square foot, or \$722 per month. The lessor is required to provide lessee with a one hundred- and eighty-days' notice of any such increase.

Monthly common area costs currently required are \$3,890. Including maintenance fees, the Organization paid \$49,261 as end of June 30, 2020. Rent expense for the year ending June 30, 2020 is \$122,867, which includes an in-kind adjustment of \$73,606 representing the difference between actual payments made and the facilities fair market value.

In addition, the Organization leases a photocopier under non-cancellable 5-year agreement starting December 2017. Future minimum payments under this agreement are below:

<u>Year</u>	<u>Amount</u>
2021	3,019
2022	3,019
2023	\$ 1,509

NOTE 11 – IN-KIND DONATIONS

The Organization received and recognized the following in-kind donations:

Office space	\$ 68,560
Gift card inventory	36,770
Food and goods donation	29,639
Vehicle donation	636
Professional services	<u>50,400</u>
Total	<u>\$ 186,005</u>

**JEWISH FAMILY SERVICES OF SILICON VALLEY
NOTES TO FINANCIAL STATEMENTS**

NOTE 12 – RESTRICTIONS ON NET ASSETS

For the year ended June 30, 2020 the Organization's net asset with donor restrictions is as follows:

Purpose	06/30/19	Additions	Released	06/30/20
Holocaust survivor	\$ 216,780	\$ -	\$ 144,520	\$ 72,260
Project NOAH	30,000	60,000	60,000	30,000
Refugee services	89,769	62,500	138,638	13,631
Overall program	276,296	86,960	231,865	131,391
Senior services	80,748	243,671	157,046	167,373
Covid-19	-	95,000	75,000	20,000
Total	<u>\$ 693,593</u>	<u>\$ 548,131</u>	<u>\$ 807,069</u>	<u>\$ 434,655</u>

NOTE 13 – RETIREMENT PLAN

The Organization sponsors a defined contribution plan covering all employees working at least 20 hours per week with at least one year of service. The Organization makes contributions equal to 5% of the employee's compensation. Employer contributions to this plan for the year ended June 30, 2020 are \$38,518.

NOTE 14 – FINANCIAL INSTRUMENTS

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of temporary cash investments and contracts and grants awarded.

The Organization maintains a majority of their cash in bank deposit accounts that, at times, may exceed federally insured limits of \$250,000. The Organization has not experienced any losses in such accounts. Management believes the Organization is not exposed to any significant credit risk related to cash. At June 30, 2020, the Organization had \$694,608 uninsured balances.

For the year ending June 30, 2020, HIAS comprises 33% of the contracts awarded and 8% of the total revenue. The ability of certain contracts to continue to provide amounts comparable with prior years may be dependent upon current and future economic conditions and budget constraints. While the board of directors believes, the Organization has the resources to continue current and future programs, its ability to do so, and the extent to which it does, may be dependent on the above factors.

**JEWISH FAMILY SERVICES OF SILICON VALLEY
NOTES TO FINANCIAL STATEMENTS**

NOTE 15 – BENEFICIAL INTEREST IN TRUST

The Organization is the beneficiary of two endowment funds, the Lorien Yehuda Segall Fund and the Harry and Jeanette Weinberg Foundation, both administered by the Jewish Federation of Silicon Valley, who has been granted variance power. The terms of the trusts mandate perpetual control of the corpus to the named trustee. The Organization it is entitled to receive annually the lesser of 5% of the average fund's principal balance, based on the fund's previous twelve months, or the fund's total earnings for the prior year. Any excess earnings will be applied towards the principal balance for future distribution. For the year ending June 30, 2020 the Organization received a distribution of \$3,627 from the Segall Fund and \$49,850 from the Weinberg Foundation.

NOTE 16 – SPECIAL EVENTS

Due to COVID-19, the Organization canceled its fundraising event, Good Morning JFS! scheduled to be held March 18, 2020.

NOTE 17 –DONATED SERVICES AND OTHER IN-KIND CONTRIBUTION

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

During the year ended June 30, 2020 the Organization received a significant amount of donated services from unpaid volunteers who assist in the Organization's services that do not satisfy the criteria for recognition under *FASB ASC 958-605-25-16*.

The management estimated that about 8,500 hours from volunteers were provided Jewish Family Services of Silicon Valley for assembling Embrace-A-Family boards, backpack drive, wrapping Embrace-A-Family gifts, Friendly Visitors, Chaplain Aides, clerical such as newsletters, front desk, mailing assistance, Knitzvah knitting for good, assembling backpacks, delivering supplies, groceries shopping, and similar nonprofessional services.

JEWISH FAMILY SERVICES OF SILICON VALLEY
NOTES TO FINANCIAL STATEMENTS

NOTE 18 – PPP LOAN

The Paycheck Protection Program (PPP) Flexibility Act (the Flexibility Act) was signed into law on June 5, 2020, and extended the deferral payment period from six months after the loan disbursement date until the date on which the Small Business Administration (SBA) remits the forgiveness amount to the lender. A borrower could apply for the loan forgiveness if a borrower meets the criteria under which the loan can be forgiven. Once the loan is forgiven, a borrower recognizes the loan as revenue.

On May 14, 2020, The Organization obtained the loan under PPP, which is designed to provide a direct incentive for small businesses to keep their workers on payroll during COVID-19 pandemic. The loan was provided by Bank of America in amount \$210,957 with the annual interest of 1% starting to accrue on May 04, 2020. The first payment on the loan is due on December 4, 2020 and the loan matures in eighteen months, May 4, 2022. The loan payments are as follow:

2021	\$	82,074
2022		<u>128,883</u>
Total	\$	<u>210,957</u>

The Organization’s management believes that the loan will be forgiven.

NOTE 19 – SUBSEQUENT EVENTS

In the US, President Donald Trump signed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) into law on 27 March 2020. While the extent and duration of the economic fallout from the COVID-19 pandemic remains unclear, the Organization’s future performance might be affected by the pandemic.

Management has reviewed the results of the Organization’s operations for the period of time from its year end, June 30, 2020, through August 26, 2020, the date the financial statements were available to be issued, and have determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.

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

To the Board of Directors of
JEWISH FAMILY SERVICES OF SILICON VALLEY

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Jewish Family Services of Silicon Valley (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 26, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Jewish Family Services of Silicon Valley's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Jewish Family Services of Silicon Valley's internal control. Accordingly, we do not express an opinion on the effectiveness of Jewish Family Services of Silicon Valley's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jewish Family Services of Silicon Valley's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Tryna Accountancy Corporation

Oakland, California

August 26, 2020

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