# Jewish Senior Services of Toledo, Inc.
# and
# Supporting Organization

Six Months Ended
December 31, 2020

Combined Financial Statements
and 2020
Supplementary
Information

Rehmann

# JEWISH SENIOR SERVICES OF TOLEDO, INC.
# AND SUPPORTING ORGANIZATION

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**INDEPENDENT ACCOUNTANTS' REVIEW REPORT**

April 8, 2021

Board of Directors
Jewish Senior Services of Toledo, Inc.
and Supporting Organization
Sylvania, Ohio

We have reviewed the accompanying combined financial statements of ***Jewish Senior Services of Toledo, Inc. and Supporting Organization*** (collectively, the "Organization") a nonprofit organization, which comprise the combined statement of financial position as of December 31, 2020, and the related combined statements of activities, functional expenses, and cash flows for the six months then ended, and the related notes to the combined financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

***Management's Responsibility for the Combined Financial Statements***

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

***Independent Accountants' Responsibility***

Our responsibility is to conduct the review in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the combined financial statements for them to conform with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

***Independent Accountants' Conclusion***

Based on our review, we are not aware of any material modifications that should be made to the accompanying combined financial statements in order for them to conform with accounting principles generally accepted in the United States of America.

Rehmann Robson LLC

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**JEWISH SENIOR SERVICES OF TOLEDO, INC.
AND SUPPORTING ORGANIZATION**

## Combined Statement of Financial Position

As of December 31, 2020

| | |
|---|---|
| **ASSETS** | |
| Current assets - Cash | $ 214,714 |
| Investments | 14,044,526 |
| Beneficial interest in perpetual trust | 923,145 |
| **Total assets** | **$ 15,182,385** |
| **NET ASSETS** | |
| **Net assets** | |
| Without donor restrictions | $ 14,259,240 |
| With donor restrictions | 923,145 |
| **Total net assets** | **$ 15,182,385** |

See accompanying notes, which are an integral part of these combined financial statements, and independent accountants' review report.

## JEWISH SENIOR SERVICES OF TOLEDO, INC.
## AND SUPPORTING ORGANIZATION

### Combined Statement of Activities
Six Months Ended December 31, 2020

| | Without Donor Restrictions | With Donor Restrictons | Total |
|---|---|---|---|
| **Revenues and gains** | | | |
| Net investment return | $ 2,222,954 | $ - | $ 2,222,954 |
| Change in value of beneficial interest in perpetual trust | - | 111,918 | 111,918 |
| Miscellaneous income | 23 | - | 23 |
| **Total revenues and gains** | **2,222,977** | **111,918** | **2,334,895** |
| **Expenses** | | | |
| Program services - grants | 352,081 | - | 352,081 |
| Management and general | 59,487 | - | 59,487 |
| **Total expenses** | **411,568** | **-** | **411,568** |
| **Changes in net assets** | **1,811,409** | **111,918** | **1,923,327** |
| Net assets, beginning of year | 12,447,831 | 811,227 | 13,259,058 |
| **Net assets, end of year** | **$ 14,259,240** | **$ 923,145** | **$ 15,182,385** |

See accompanying notes, which are an integral part of these combined financial statements, and independent accountants' review report.

## JEWISH SENIOR SERVICES OF TOLEDO, INC.
## AND SUPPORTING ORGANIZATION

### Combined Statement of Functional Expenses
Six Months Ended December 31, 2020

| | Program Services-Grants | Management and General | Total |
|---|---|---|---|
| Grants to related parties | $ 352,081 | $ - | $ 352,081 |
| Legal and accounting | - | 57,324 | 57,324 |
| Insurance | - | 2,163 | 2,163 |
| **Total functional expenses** | **$ 352,081** | **$ 59,487** | **$ 411,568** |

See accompanying notes, which are an integral part of these combined financial statements, and independent accountants' review report.

## JEWISH SENIOR SERVICES OF TOLEDO, INC.
## AND SUPPORTING ORGANIZATION

### Combined Statement of Cash Flows
Six Months Ended December 31, 2020

| | |
|---|---|
| **Cash flows from operating activities** | |
| Changes in net assets | $ 1,923,327 |
| Adjustments to reconcile changes in net assets to net cash used in operating activities | |
| Net realized and unrealized gains on investments | (2,055,926) |
| Change in value of beneficial interest in perptual trust | (111,918) |
| **Net cash used in operating activities** | **(244,517)** |
| **Cash flows from investing activities** | |
| Proceeds from sales of investments | 1,094,371 |
| Purchases of investments | (790,385) |
| **Net cash provided by investing activities** | **303,986** |
| **Net increase in cash** | **59,469** |
| Cash, beginning of year | 155,245 |
| **Cash, end of year** | **$ 214,714** |

See accompanying notes, which are an integral part of these combined financial statements, and independent accountants' review report.

## Notes to Combined Financial Statements

### 1. NATURE OF ORGANIZATION, BASIS OF PRESENTATION, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

***Nature of Organization***

The combined financial statements include the accounts of **Jewish Senior Services of Toledo, Inc.** and **Jewish Senior Services Supporting Organization** (collectively, the "Organization"). These entities have been combined since they are under common control and both have been established to serve cultural, emotional, physical, social and religious needs of principally older Jewish adults, residing in Northwest Ohio and Southeast Michigan in coordination and cooperation with Jewish Federation of Greater Toledo and other service providers, in accordance with the precepts of Judaism.

Effective July 1, 2020, the Organization changed its fiscal year-end to from June 30 to December 31. Accordingly, these combined financial statements reflect a six month period ending December 31, 2020.

***Basis of Presentation***

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets 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.

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.

***Risks and Economic Uncertainties***

The outbreak of a novel coronavirus (COVID-19), which the World Health Organization declared in March 2020 to be a pandemic, continues to spread throughout the United States of America and the globe. Many State Governors issued temporary Executive Orders that, among other stipulations, effectively prohibit in-person work activities for most businesses and industries including nonprofit entities, having the effect of suspending or severely curtailing operations. As a result, the COVID-19 outbreak is disrupting and affecting the Organization's normal activities. The extent of the ultimate impact of the pandemic on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impact on funders, program recipients, employees, vendors, and other constituents, all of which cannot be reasonably predicted at this time. While management reasonably expects the COVID-19 outbreak to negatively impact the Organization's combined financial position, changes in financial position, and, where applicable, the timing and amounts of cash flows, the related financial consequences and duration are highly uncertain.

***Use of Estimates***

The preparation of combined financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities at the date of the combined financial statements, and the reported amounts of revenues and expenses during the six months ended December 31, 2020. Accordingly, actual results could differ from those estimates.

***Cash***

The Organization maintains its deposits in one financial institution, which at times may exceed federally insured limits. Management does not believe the Organization is exposed to any significant interest rate or other financial risk as a result of these deposits.

***Fair Value Measurements***

Fair value refers to the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants in the market in which the reporting entity transacts such sales or transfers based on the assumptions market participants would use when pricing an asset or liability. Assumptions are developed based on prioritizing information within a fair value hierarchy that gives the highest priority to quoted prices in active markets (Level 1) and the lowest priority to unobservable data (Level 3).

A description of each category in the fair value hierarchy is as follows:

Level 1: Valuation is based upon quoted prices for identical instruments traded in active markets.

Level 2: Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all-significant assumptions are observable in the market.

Level 3: Valuation is generated from model-based techniques that use at least one significant assumption not observable in the market. These unobservable assumptions reflect the estimates of assumptions that market participants would use in pricing the asset or liability.

For further discussion on fair value measurements, refer to Note 3 of the combined financial statements.

### *Investments*

Investments in marketable securities with readily determinable fair values are reported at their fair values in the combined statement of financial position. Donated investments are recorded at fair value at the date of donation. Realized and unrealized gains or losses are reflected in the net investment return caption on the combined statement of activities. Investment income is reported net of external investment

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

### *Grants*

Promises to grant funds that stipulate conditions be met before the grant is made are not recorded until the conditions are met. There were no conditional grants made during the six-month period ending December 31, 2020.

### *Change in Accounting Principles*

In June 2018 the FASB issued ASU 2018-08, Not-for-Profit Entities: *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958)* . The Organization has applied the provisions of this ASU to the December 31, 2020 combined financial statements for contributions made. There was no material impact on the combined financial statements.

### *Functional Allocation of Expenses*

The cost of program and supporting services activities have been summarized on a functional basis in the combined statement of activities. The combined statement of functional expenses present the natural classification detail of expenses by function. Expenses directly related to each function are charged to the appropriate functional classification.

### *Income Taxes*

Jewish Senior Services of Toledo, Inc. and Jewish Senior Services Supporting Organization are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. They are also exempt from state and local income taxes under the laws of the State of Ohio for nonprofit organizations. Accordingly, no provision for federal, state or local income taxes has been recorded in these combined financial statements. Although the Organization was granted income tax exemption by the Internal Revenue Service, such an exemption does not apply to “unrelated business taxable income.”

## Notes to Combined Financial Statements

The Organization analyzes its filing positions in the federal and state jurisdictions where it is required to file income tax returns, as well as all open tax years in these jurisdictions to identify potential uncertain tax positions.

The Organization has evaluated its income tax filing positions for fiscal years 2017 through 2020, the years which remain subject to examination as of December 31, 2020. The Organization concluded that there are no significant uncertain tax positions requiring recognition in the Organization's combined financial statements. The Organization does not expect the total amount of unrecognized tax benefits ("UTB") (e.g. tax deductions, exclusions, or credits claimed or expected to be claimed) to significantly change in the next twelve months. The Organization does not have any amounts accrued for interest and penalties related to UTB's at December 31, 2020 and is not aware of any claims for such amounts by federal or state income tax authorities.

***Subsequent Events***

In preparing these combined financial statements, the Organization has evaluated, for potential recognition or disclosure, significant events or transactions that occurred during the period subsequent to December 31, 2020, the most recent combined statement of financial position presented herein, through April 8, 2021, the date these combined financial statements were available to be issued. No significant such events or transactions were identified, other than the matter disclosed in Note 6.

### 2. LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the combined statement of financial position date, comprise the following as of December 31, 2020:

| | |
|---|---|
| Cash | $ 214,714 |
| **Financial assets available to meet cash needs for general expenditures within one year** | **$ 214,714** |

As part of the Organization's liquidity plan, investment income is available for general expenditures, without donor or other restrictions limiting their use, within one year of the combined statement of financial position date. The Organization will distribute grants only when funds are available.

## 3. INVESTMENTS AND FAIR VALUE MEASUREMENTS

The Organization uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. Following is a description of the valuation methodologies and key inputs used to measure financial assets recorded at fair value. For financial assets recorded at fair value, the description includes an indication of the level of the fair value hierarchy in which the assets are classified.

The fair values of mutual funds are based on quoted prices in active markets and are classified as Level 1.

The Organization classifies the beneficial interest in perpetual trust as Level 3 in the fair value hierarchy. The underlying trust assets cannot be liquidated or redeemed by the Organization. As such, no quoted prices or active market are available for this asset. As a practical expedient, the carrying value of this asset is deemed equal to the Organization's proportionate share of the fair value of the total investments held in the trust.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**Assets Recorded at Fair Value on a Recurring Basis**

The following tables set forth by level, within the fair value hierarchy, the recorded amount of the assets measured at fair value on a recurring basis as of December 31:

| | **Assets at Fair Value** | | | |
|---|---|---|---|---|
| **2020** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| Mutual funds | | | | |
| Fixed | $ 3,633,856 | $ - | $ - | $ 3,633,856 |
| International | 4,252,058 | - | - | 4,252,058 |
| Large-cap | 6,158,612 | - | - | 6,158,612 |
| Total investments | 14,044,526 | - | - | 14,044,526 |
| Beneficial interest in perpetual trust | - | - | 923,145 | 923,145 |
| **Total assets at fair value** | **$ 14,044,526** | **$ -** | **$ 923,145** | **$ 14,967,671** |

The table below provides a summary of changes in the Organization's Level 3 assets, for the year ended December 31, 2020.

| | Beneficial Interest in Perpetual Trust |
|---|---|
| **Balance, at beginning of year** | $ 811,227 |
| Change in value of trust assets | 111,918 |
| **Balance, at end of year** | **$ 923,145** |

## 4. BENEFICIAL INTEREST IN PERPETUAL TRUST AND NET ASSETS WITH DONOR RESTRICTIONS

The Organization is one of the beneficiaries of a split interest agreement. These funds are restricted by the donor and the Organization is entitled to 10% of the income generated from this trust in perpetuity. Since the trust is irrevocable, the Organization has recorded 10% of the fair value of the trust's assets as a beneficial interest in perpetual trust and a net asset with donor restrictions. The Organization recognized change in fair value of 111,918 for the six months ended December 31, 2020.

## 5. RELATED PARTY TRANSACTIONS

The Organization paid Jewish Federation of Greater Toledo ("JFGT") bookkeeping fees of $52,774 for the six months ended December 31, 2020 which are included within legal and accounting expense on the combined statement of functional expenses.

The Organization paid Jewish Family Services of Toledo, Ohio grant allocations amounting to $291,081 for the six months ended December 31, 2020. Jewish Senior Services Supporting Organization and Jewish Senior Services paid Toledo Jewish Community Cemetery Association grant allocations amounting to $25,000 each, for the six months ended December 31, 2020. The Organization paid UJC Holdings, Inc. grant allocations amounting to $11,000 for the six months ended December 31, 2020.

The Jewish Senior Services Supporting Organization Board has approved approximately $644,000 in allocations to JFGT to be paid during the year ending December 31, 2021.

## 6. SUBSEQUENT EVENT

The grant allocation made to the Toledo Jewish Community Foundation during year ending June 30, 2020 was reallocated back to the Organization in February 2021 in the amount of $250,000.

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**INDEPENDENT ACCOUNTANTS' REPORT**
**ON SUPPLEMENTARY COMBINING INFORMATION**

April 8, 2021

Board of Directors
Jewish Senior Services of Toledo, Inc.
and Supporting Organization
Sylvania, Ohio

Our report on our reviews of the basic combined financial statements of ***Jewish Senior Services of Toledo, Inc. and Supporting Organization*** as of and for the six month ended December 30, 2020, appears on page one. Our reviews were made primarily for the purpose of expressing a conclusion whether we are aware of any material modifications that should be made to the combined financial statements in order for them to conform with accounting principles generally accepted in the United States of America. The accompanying supplementary combining information included in the combined supplementary schedules, as listed in the table of contents, is presented only for purposes of additional analysis and is not a required part of the basic combined financial statements. Such information is the responsibility of management. We have not audited or reviewed the supplementary combining information and we do not express an opinion, a conclusion, nor provide any assurance on it.

Rehmann Robson LLC

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**SUPPLEMETARY**
**COMBINING INFORMATION**
**FOR THE SIX MONTHS ENDED**
**DECEMBER, 31 2020**

## JEWISH SENIOR SERVICES OF TOLEDO, INC.
## AND SUPPORTING ORGANIZATION

### Combining Statement of Financial Position
As of December 31, 2020

| ASSETS | Jewish Senior Services | Supporting Organization | Eliminations | Combined Total |
|---|---|---|---|---|
| **Current assets** | | | | |
| Cash | $ 7,729 | $ 206,985 | $ - | $ 214,714 |
| Accounts receivable - related party | 52,774 | - | (52,774) | - |
| **Total current assets** | **60,503** | **206,985** | **(52,774)** | **214,714** |
| Investments | - | 14,044,526 | - | 14,044,526 |
| Beneficial interest in perpetual trust | 923,145 | - | - | 923,145 |
| **Total assets** | **$ 983,648** | **$ 14,251,511** | **$ (52,774)** | **$ 15,182,385** |
| **NET ASSETS** | | | | |
| **Current liabilities** | | | | |
| Accounts payable - related party | $ - | $ 52,774 | $ (52,774) | $ - |
| **Net assets** | | | | |
| Without donor restrictions | 60,503 | 14,198,737 | - | 14,259,240 |
| With donor restrictions | 923,145 | - | - | 923,145 |
| **Total net assets** | **$ 983,648** | **$ 14,251,511** | **$ (52,774)** | **$ 15,182,385** |

See independent accountants' report on supplementary combining information.

# JEWISH SENIOR SERVICES OF TOLEDO, INC.
# AND SUPPORTING ORGANIZATION

## Combining Statement of Activities
As of December 31, 2020

| | Jewish Senior Services | Supporting Organization | Combined Total |
|---|---|---|---|
| **Without donor restrictions** | | | |
| **Revenues and gains** | | | |
| Net investment return | $ 20,977 | $ 2,201,977 | $ 2,222,954 |
| Miscellaneous income | 23 | - | 23 |
| **Total revenues and gains** | **21,000** | **2,201,977** | **2,222,977** |
| **Expenses** | | | |
| Program services - grants | 25,000 | 327,081 | 352,081 |
| Management and general | 6,713 | 52,774 | 59,487 |
| **Total expenses** | **31,713** | **379,855** | **411,568** |
| **Changes in net assets without donor restrictions** | **(10,713)** | **1,822,122** | **1,811,409** |
| **With donor restricions** | | | |
| Change in value of beneficial interest in perpetual trust | 111,918 | - | 111,918 |
| **Changes in net assets** | **101,205** | **1,822,122** | **1,923,327** |
| Net assets, beginning of year | 882,443 | 12,376,615 | 13,259,058 |
| **Net assets, end of the year** | **$ 983,648** | **$ 14,198,737** | **$ 15,182,385** |

See independent accountants' report on supplementary combining information.